



28th Annual Report 2013 -14



**MUKAND
ENGINEERS**

(₹ in Lacs)

FINANCIAL HIGHLIGHTS					
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
I CAPITAL ACCOUNTS					
A. Share Capital	1258	1258	1258	1258	1258
B. Reserves	3688	4121	4304	4519	4554
C. Net Worth (A+B)	4946	5379	5562	5777	5812
D. Borrowings	2899	3668	4152	4553	4507
E. Gross Block	2605	2748	2875	3136	3149
F. Net Block	725	808	856	1065	993
G. Debt-Equity Ratio (D/C)	0.59:1	0.69:1	0.75:1	0.79:1	0.78:1
II REVENUE ACCOUNTS					
A. Gross Revenue	12774	7856	6866	7811	8850
B. Profit before Taxes (PBT)	1235	950	534	532	272
C. Profit after Taxes (PAT)	819	652	329	362	182
D. Return on Shareholders' Fund %	16.56	12.12	5.91	6.27	3.13
III EQUITY SHAREHOLDERS' EARNINGS					
A. Equity Dividend	189	189	126	126	126
B. Earnings per Equity Share (in ₹)	6.52	5.19	2.62	2.88	1.44
C. Dividend per Equity Share (in ₹)	1.50	1.50	1.00	1.00	1.00
D. Networth per Equity Share (in ₹)	39.34	42.78	44.24	45.95	46.23

BOARD OF DIRECTORS

Rajesh V. Shah, *Chairman*
Niraj Bajaj
Prakash V. Mehta
N. Ramanathan
R. Sankaran

MANAGER

K. P. Jotwani

COMPANY SECRETARY

P. R. Dhruva

AUDITORS

M/s. K. K. Mankeshwar & Co.,
Chartered Accountants, Mumbai

REGISTERED OFFICE

Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021.
Tel : (022) 61216666 / 6626
Fax : (022) 22886663
E-mail : mel@mukand.com
Website : www.mukandengineers.com
CIN No.: L45200MH1987PLC042378

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri (East), Mumbai - 400 072.
Tel : (022) 28470652 / 0653 / 40430200
Fax : (022) 28475207
E-Mail : info@bigshareonline.com
Website : www.bigshareonline.com

A Request :

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of the Report to the meeting.

Cover Picture - Electrical Equipment Installation at HNPCL Visakhapatnam (2X520MW STPP) and at OPAL Dahej (6X30MW CAPP) through BHEL

ANNUAL GENERAL MEETING

On Wednesday, 13th August, 2014, at 11:30 a.m.
at Kamalnayan Bajaj Hall,
Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai - 400021.

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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice / documents including Annual Report can be made by e-mail to their members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send the above information i.e. e-mail address to the Company at **mel@mukand.com** OR to the Registrar and Transfer Agents of the Company at **info@bigshareonline.com** for registration of their e-mail address.

NOTICE

TO THE MEMBERS,

NOTICE is hereby given that the **28th ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Wednesday, the 13th day of August, 2014 at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021**, to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Rajesh V. Shah (DIN: 00033371) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** M/s. K.K. Mankeshwar & Co, Chartered Accountants (Registration No.106009W), retiring Auditors of the Company, eligible for re-appointment, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution:-
“**RESOLVED THAT** pursuant to provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri. Prakash V. Mehta (DIN: 00001366), who was appointed as a Director and is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 years up to the conclusion of the 33rd Annual General Meeting AND THAT he shall not be liable to retire by rotation and on the terms and conditions as detailed in the Appointment Letter.
“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.”
6. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution:-
“**RESOLVED THAT** pursuant to provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri. N. Ramanathan (DIN:01566914), who was appointed as a Director and is liable to retire by rotation and in respect of whom the

Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 years up to the conclusion of the 33rd Annual General Meeting AND THAT he shall not be liable to retire by rotation and on the terms and conditions as detailed in the Appointment Letter.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.”

7. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution:-

“**RESOLVED THAT** pursuant to provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri. R. Sankaran (DIN: 00381139), who was appointed as a Director and is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 years up to the conclusion of the 33rd Annual General Meeting AND THAT he shall not be liable to retire by rotation and on the terms and conditions as detailed in the Appointment Letter.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.”

8. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as a Special Resolution:-

“**RESOLVED THAT** in partial modification of the earlier Resolution passed by the Shareholders at the 27th Annual General Meeting of the Company held on 13th day of August, 2013 and pursuant to Sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Chapter XIII- The Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 (including any statutory modification/s, enactment or re-enactment/s thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded for varying the terms and conditions of the Remuneration being paid to Shri K P Jotwani, as the “Manager” as defined under Section 2(53) to the Companies Act, 2013, for the remaining period of his term of office i.e. from 1-6-2014 to 31-5-2015 as set out in the Draft Agreement between the Company and Shri K.P Jotwani with further liberty to the Directors from time to time, to alter and vary the said terms and conditions in such manner as may be agreed upon between the Directors and Shri K.P. Jotwani in the best interests of the Company, subject to the provisions contained in Companies Act, 2013 as amended from time to time.

“**RESOLVED FURTHER THAT** pursuant to Section 197(1) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary, the Company shall revise / increase the Managerial Remuneration to the extent

mentioned in Schedule V to the Companies Act, 2013 or in the manner laid down in Section 198 or any other law / provisions for the time being in force w.e.f.1st June, 2014.

RESOLVED FURTHER THAT Shri K.P Jotwani shall function as a "Manager" within the meaning of Section 2(53) of the Companies Act, 2013 subject to the superintendence, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution."

9. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Special Resolution:-

"RESOLVED THAT in supersession of the Ordinary Resolution passed in the 24th Annual General Meeting held on 29th July 2010 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company who be and are hereby authorized to borrow from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the amount being borrowed and outstanding, shall not exceed ₹ 150 Crores (Rupees One Hundred Fifty Crores only)."

10. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Special Resolution:-

"RESOLVED THAT in supersession of the Ordinary Resolution passed in the 24th Annual General Meeting held on 29th July 2010 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the creation by the Board of Directors from time to time, of such mortgages, charges, hypothecation and / or other securities, in addition to the mortgages, charges, liens hypothecation and / or securities created by the Company, on such terms and conditions as the Board at its sole discretion may deem fit, of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the undertaking or undertakings, in favour of the banks / financial institutions / debenture trustees, if any / other lenders as may be agreed to by the Board of Directors of the Company, for the purpose of securing the repayment of any loans / financial assistance (whether in Rupees or in foreign currency), debentures or bonds or other instruments issued to the public and/or on private placement basis and/ or in any other manner, subject to maximum of ₹ 150 Crores (Rupees One Hundred Fifty Crores only)."

11. To consider and, if thought fit, to pass with or without modification/s, the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 73 and 76 to the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to invite /accept

/ renew / receive money by way of unsecured / secured Deposits, or in any other form from Members of the Company in any form or manner, through Circular, Advertisement or through any other permissible mode upto the permissible limits prescribed under applicable provisions of law and on such terms and conditions as the Board of Directors of the Company in its sole discretion deem fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, the Board of Directors of the Company and / or any Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as the Board of Directors and / or any Committee thereof may in its sole discretion consider necessary, proper, expedient, desirable or appropriate for such invitation / acceptance / renewal / receipt as aforesaid."

NOTES FOR MEMBERS' ATTENTION:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No.5,6,7,8,9 10 and 11 is annexed herewith.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 06/08/2014 to 13/08/2014, (both days inclusive).
4. Members who have neither received nor encashed their dividend warrant(s) for any of the financial year from 2009-2010 upto 2012-2013, are requested to write to the Registrar and Share Transfer Agents of the Company mentioning the relevant Folio Number(s) / DP ID, for issuance of duplicate dividend warrant(s).

In compliance with the provisions of Section 125 of the Companies Act 2013, the Company has identified the unclaimed amount of dividend for the financial year ended 31st March, 2011 to 31st March, 2013 and requisite detailed information was uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.

Further the Company has identified the unclaimed amount of dividend upto the financial year ended 31st March, 2014 and requisite detailed information will be uploaded on the Ministry's website through e-form 5 INV and also on the Company's website within the prescribed time limit.

5. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the Members.

6. The Company's Equity Shares are listed on Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai.
7. Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2014, when declared at the meeting, will be paid:
- To those Members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrar on or before 05/08/2014.
 - In respect of shares held in electronic form, to those "Deemed Members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 05/08/2014.
 - The Securities and Exchange Board of India (SEBI) has made it mandatory for all the Companies to use bank details furnished by the investors for distributing dividends to them through National Electronic Clearing Services (NECS), wherever NECS and bank details are available. In the absence of NECS facility, the Companies are required to print the bank details, if available, on payment instrument, for distribution of dividends to the investors. Therefore, members holding shares in physical mode are requested to provide their bank details to the Company / Registrar. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participants.
 - SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers / copies of PAN card to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Vihar, Andheri (East) Mumbai - 400 072.
8. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on Wednesday, August 13, 2014 at 11.30 a.m. with a request to follow the instructions for voting electronically as under :-
The voting period begins on 7th August, 2014 at 9.00 a.m. and ends on 9th August, 2014 at 6.00 p.m.. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th July, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case of members receiving e-mail :**
- Log on to the e-voting website www.evotingindia.com during the voting period
 - Click on "Shareholders"
 - Now, select "MUKAND ENGINEERS LIMITED" from the drop down menu and click on "SUBMIT"
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:
- | For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB # | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details # | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |
- After entering these details appropriately, click on "SUBMIT" tab.
 - Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - Click on the EVSN of "MUKAND ENGINEERS LIMITED" on which you choose to vote.
 - On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Institutional Shareholders**
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a Corporate user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

The Company has appointed M/s Ragini Choksi & Co., Practising Company Secretary, Mumbai (C.P. No.1436) to act as scrutinizer for conducting the electronic voting process in a fair and transparent manner.

In case of members receiving the physical copy, please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 4th July, 2014.
- A copy of this Notice has been placed on the website of the Company and the website of CDSL.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's/CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

**By Order of the Board
For Mukand Engineers Limited**

**P. R. Dhruva
Company Secretary**

**Place : Mumbai
Date : 28th May, 2014**

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.5, 6 & 7

Detailed Profiles of the Independent Directors viz:- Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran are given in the Report on Corporate Governance and Members are requested to refer the same.

Further the Independent Directors have submitted their declaration of independence, as required pursuant to Section 149(7) to the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The respective appointees are not disqualified from being appointed as director in terms of Section 164 of the Act. However, pursuant to Section 149(4) and Section 152(2) of the Companies Act, 2013 read with Schedule IV to the said Act and all other applicable provisions, the appointees are appointed as Independent Directors for a period of five consecutive years (not liable to retire by rotation). This Explanatory Statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board, the Independent Directors proposed to be appointed, fulfills the conditions in the Companies Act, 2013 and the rules made thereunder for their respective appointment as Independent Director and are independent of the Management of the Company.

The terms and conditions contained in the Draft Letter of Appointment to be issued to the Independent Directors will be available for inspection at the Registered Office of the Company between 10.00 a.m and 12.30 p.m on all working days of the Company up to and including the day of the meeting and also on the Company's website.

Your Directors recommend the Resolution mentioned in Item No.5, 6 & 7. of the Notice for the approval of Members.

None of the Directors, Manager, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution except Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran to the extent of their respective shareholdings, if any, in the Company.

Item No. 8

Shri Jotwani, aged 72 years is a B. E. (Mech.) from M. S. University, Baroda. He joined Mukand Limited in the year 1966 as a Management Trainee and has held various positions in Mukand Limited. Prior to joining the Company, he was in charge of Machine Building Division, and was designated as Vice President (Machine Building) of Mukand Limited.

Shri Jotwani has been associated with the Company since 1st February, 1997 as the Chief Executive of the Company and the Board of Directors at its meeting held on 29th June, 1998 had appointed him as the Chief Executive and "Manager" of the Company. He resigned on 28th January, 2000 to join Mukand Limited to head its Machine Building Division. Since 1st February, 2000, he was on the Board as Director of the Company, and resigned on 31st May, 2002.

Shri Jotwani, the "Manager" of the Company is entrusted with substantial powers of the Management and will perform such functions as may, from time to time be decided by the Board of Directors.

The Members are informed that pursuant to the provisions of Sections 198, 387 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 they had in the 27th Annual General Meeting held on

13th day of August, 2013 approved the re-appointment of Shri K. P. Jotwani as "Manager" of the Company under the Companies Act, 1956 for a period of 2 (Two) years from 1st June, 2013 to 31st May, 2015 and had also approved the maximum Remuneration payable to him,

The Board is of the opinion that Shri Jotwani's continued association will immensely benefit the Company and further his valuable and sincere contributions to the Company are also highly appreciated by the Company. Therefore, the Board of Directors of the Company at their meeting held on 28th May, 2014 have varied the terms governing the payment of Remuneration payable to Shri K P Jotwani "Manager" of the Company resulting in revision of his overall remuneration which would be within the limits of Section II of Part II of Schedule V to the Companies Act, 2013. The revised remuneration payable to Shri K P Jotwani as per the Draft Agreement to be entered into with him will be effective from 1st June 2014 for the remaining term of his office i.e. from 1st June, 2014 to 31st May, 2015.

The Draft Agreement between the Company and Shri Jotwani is available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days of the Company up to and including the day of the Meeting. The Draft Agreement, inter-alia contains the following terms and conditions effective from 1st June, 2014 :

- (a) Period of Agreement : One (1) Year w.e.f. from 01/06/2014 to 31/05/2015
- (b) Basic Salary : ₹ 60,000/- per month
- (c) House Rent Allowance : 50% of Basic Salary.
- (d) Special Allowance : ₹ 40,000/- per month
- (e) Personal Allowance : ₹ 2,00,000/- per month
- (f) Company's contribution to Provident Fund.
- (g) Gratuity at the rate of one month's salary for each completed year of service.
- (h) Leave with full pay as per the Rules of the Company,
- (i) Company will take insurance cover for accident and hospitalization for self and family in India or abroad
- (j) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place and return therefrom in respect of self and family in accordance with the rules specified by the Company from time to time.
- (k) Free use of Company's car and reimbursement of operating and maintenance expenses including driver.
- (l) Reimbursement of Domiciliary Medical Expenses.
The ceiling for item (i), (j), (k) and (l) is ₹ 5,00,000/- per annum.
- (m) Telephone, telefax and other communication facilities at the residence.
- (n) Subject to statutory ceiling/s, the "Manager" may be given any other allowance/s, perquisites, benefits and facilities as the Board of Directors from time to time may decide.
- (o) Unutilised leave as on 31st May, 2014 will be available for use in future / encashment during the period of continuity of service and balance on termination of service.

However, the perquisites mentioned in (f), (g) and (h) shall not be included in the computation of the ceiling on remuneration specified in relevant Sections of Schedule V of the Companies Act, 2013. In the absence of no profits or inadequacy of profits in any financial year, Shri K. P. Jotwani will be paid the above remuneration subject to the ceiling laid down in Section II (A) of Part II of Schedule V of Companies Act, 2013 upon the Resolution being passed as a Special Resolution.

Memorandum of Interest:

Except Shri K P Jotwani, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution.

The statement as required under Para A of Section II, Part II of Schedule V to the Companies Act, 2013 with reference to the aforesaid item is given below:

I. GENERAL INFORMATION:

(1) Nature of industry

The Company is engaged in the business of execution of projects in core sectors, handling of all areas of construction, erection and commissioning of equipments, project and design engineering, site fabrication work and giving loans and guarantees on behalf of other corporates.

(2) Commencement of commercial production

The Company has no plants as the Company carries out various jobs at different sites of customers, hence the question of date of commencement of commercial production does not arise.

(3) Financial performance based on given indicators

The financial performance of the Company as reflected by total income, profit, earnings per share and dividend recommended for the financial year ended 31st March, 2014 is as under :- (₹ in Lacs)

a. Total Income	8850.34
b. Profit before tax	271.57
c. Profit after tax	181.66
d. Earnings per share (₹)	1.44
e. Rate of Dividend (on equity shares)	10%

(4) Export performance & Net Foreign Exchange Earnings / Outgo :-

The details of Export Performance, Foreign Exchange Earnings / Outgo are as under: (₹ in Lacs)

Export Performance	Nil
Foreign Exchange Earnings	Nil
Foreign Exchange Outgo / Expenditure	38.33

(5) Foreign investments or collaborations. :- Nil

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details

The relevant information is already given in the Explanatory Statement of the Notice here in above.

(2) Past remuneration

The gross remuneration drawn by the appointee during the past 3 years are as under :

Financial Year	(₹ in Lacs)
2011-2012 :	34.61
2012-2013 :	35.26
2013-2014 :	36.75

(3) Recognition or awards :- Nil

(4) Job profile and suitability :-

Mr Jotwani is responsible for booking orders from Steel, Aluminium and Power sectors and its execution thereof.

Mr. Jotwani is a Mechanical Engineer of 1965 batch with post Graduation in Industrial Engineering in 1975 from University of Mumbai. He has been with Mukand Limited

since February 1966 and has worked through design, marketing, planning and execution. He was responsible for development of non-crane business in Machine Building Division. He executed MMSM Project of VSP from 1986 to 1990 and also BOF Project of Rourkela Steel Plant from 1994 to 1997. Since 1997, he has been the Chief Executive with the Company. During his tenure business has been developed with SAIL, IISCO, NTPC, BHEL and Vedanta. He has experience of more than 44 years in procuring orders and execution thereof in engineering business. He is the link between Execution Group and the Board.

(5) Remuneration proposed

As mentioned herein above

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointee to all-round growth of the Company; present trends and norms observed in the industry for payment of managerial remuneration by Companies of comparable size and nature of business.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any.

He does not have any pecuniary relationship with the Company except as remuneration drawn as "Manager" and as a shareholder to the extent of his shareholdings, if any, in the Company.

III. OTHER INFORMATION:

The Company is making profits; hence the question of stating (1) Reasons of loss or inadequate profits (2) Steps taken or proposed to be taken for improvement (3) Expected increase in productivity and profits in measurable terms does not arise.

Item No.9

The Members of the Company at their 24th Annual General Meeting of the Company held on 29th July, 2010, had accorded their consent under Section 293(1)(d) and all other applicable provisions if any, of the Companies Act, 1956, to the Board of Directors for borrowing any sum or sums of money for Company's business from time to time upto an amount of ₹ 150 Crores (excluding temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business).

However, with commencement of the Companies Act, 2013, the Company is required to obtain fresh approval of Members under the new provisions of Section 180(1)(c) of the Companies Act, 2013 for borrowing any sum or sums of money upto ₹ 150 Crores (excluding temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) for the purpose of the business of the Company.

None of the Directors, Manager, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution.

Accordingly, your Directors recommend the Resolution for the approval of Members.

Item No.10

The Members of the Company at their 24th Annual General Meeting of the Company held on 29th July, 2010, had accorded their consent under Section 293(1)(a) and all other applicable provisions if any of the Companies Act, 1956 to the Board of Directors for creation of mortgages, charges or hypothecation of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, for securing the borrowings upto a limit of ₹ 150 Crores (Rupees One Hundred Fifty Crores only) for the purpose of the business of the Company.

However, with commencement of the Companies Act, 2013 the Company is required to obtain fresh approval of Members under the new provisions of Section 180(1)(a) of the Companies Act, 2013 for creation of mortgages, charges or hypothecation of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, for securing the borrowings upto a limit of ₹ 150 Crores (Rupees One Hundred Fifty Crores only) for the purpose of the business of the Company.

None of the Directors, Manager, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution.

Accordingly, your Directors recommend the Resolution for the approval of Members

Item No.11

The Members are hereby apprised that the Company has been accepting in the past Fixed Deposits from its shareholders, employees and their relatives and other section of public as permissible under the Companies Act, 1956 read with the corresponding The Companies (Acceptance of Deposits) Rules, 1975, which was in force prior to the commencement of the Companies Act, 2013.

However, with the commencement of the Companies Act, 2013 Fixed Deposits are now governed by the new law and approval of the members is required by way of a Special Resolution for inviting /renewing Fixed Deposits. The Members may further note that under the provisions of the Companies Act, 2013 the Company proposes to invite / accept / renew Fixed Deposits from the Members.

The Board of Directors of the Company had in their meeting held on 28th May, 2014 have recommended the Resolution as set out in the Notice hereinabove for your approval by way of a Special Resolution.

None of the other Directors / Manager / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the Resolutions, except to the extent of their respective holdings in Fixed Deposit, if any, with the Company.

**By Order of the Board
For Mukand Engineers Limited**

**P. R. Dhruva
Company Secretary**

Place : Mumbai

Date : 28th May, 2014

DIRECTORS' REPORT

TO THE MEMBERS,

- Your Directors present the Twenty Eight Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

2. Financial Results (₹ in lacs)

	Current Year	Previous Year
Income from operation and other Income	8850.34	7810.53
Profit for the year before tax	271.57	532.01
Add/(Less) : Provision for tax (including deferred tax)	(89.91)	(170.42)
Profit after tax	181.66	361.59
Add/(Less):Balance brought forward from previous year.	2198.17	1982.70
Balance available for appropriation	2379.83	2344.29

3. Dividend

Directors are pleased to recommend dividend of 10% on equity shares. The dividend & tax thereon shall absorb ₹ 147.09 lacs from surplus generated from the operations during the year.

4. Operations

4.1. General -

The income from operations, and other income during the year was higher at ₹ 88.50 Cr as compared to ₹ 78.11 Cr in the previous year.

4.2 Engineering -

4.2.1 The income from Engineering operation during the year was ₹ 80.68 Cr as against ₹ 71.22 Cr in previous year, Engineering operations earned profit before interest & tax of ₹ 8.61 Cr during the year under review as compared to profit of ₹ 10.43 Cr in the previous year. Despite higher inflationary pressure witnessed in the economy resulting in higher cost of execution of the contracts during the year, the Company has been able to maintain its profit level through increased turnover.

4.2.2 During the year major part of income accrued from power projects, steel and aluminium projects and a part of income accrued from supplies.

4.2.3 New orders amounting to ₹ 105.59 Cr were received during the year and the outstanding orders as at the end of the year were ₹ 344.54 Cr as against ₹ 338.12 Cr at the beginning of the year.

The orders on hand will be executed during the FY 2014-15 and FY2015-16. The Company continued to book new orders consistently during this year as well.

4.3 Infotech -

Income from Infotech Segment during the year was ₹ 4.80 Cr same as previous year.

5. Fixed Deposits

The Company held ₹ 19.67 Cr as Public deposits as of 31st March 2014. Deposits aggregating ₹ 0.16 Cr have matured but remain unclaimed as on that date. The Company sends reminder letters to the Fixed Deposit Holders before the date of Maturity of their Fixed Deposits.

6. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance, along with Auditor's Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this Report.

7. Other Information

7.1 As the Company does not own an undertaking where manufacturing operations are carried out, the information to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

7.2 During the year under review there were no foreign exchange earnings. Expenditure in foreign currency incurred ₹ 38.33 lacs.

7.3 There are no employees covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

8. Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended 31st March 2014.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

9. Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Rajesh V. Shah, will retire in the ensuing Annual General Meeting and being eligible, seek re-appointment. The Board of Directors recommends his re-appointment.

The Companies Act, 2013 provides for the appointment of Independent Directors. Further, Section 149(10) of the Act provides that Independent Directors shall hold office for a term of upto five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a Ordinary Resolution by the Members of the Company.

Accordingly, Shri Prakash V. Mehta, Shri R. Sankaran and Shri N. Ramanathan will be appointed as Independent Directors, for a period of five years (not liable to retire by rotation) subject to the approval of Members at the ensuing Annual General Meeting.

10. Cost Compliance

The Company has appointed M/s .Joshi Apte & Associates, Cost Accountant to verify cost compliance report for the period 1st April 2013 to 31st March 2014 as prescribed under the Companies (Cost Accountants Record) Rules 2011. The Compliance Report for FY 2012-13 was filed within the stipulated date.

11. Auditors

Messrs. K K Mankeshwar & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

12 Auditors' Report

The notes referred to in the Auditors' Report are self-explanatory and hence, do not call for any comments under Section 134 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28th May, 2014

Rajesh V. Shah
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1 Engineering Construction Division

1.1 Industry Structure and Developments

The business of the Company continues mainly in the areas of Supply and Installation of equipments for Power Generation Plants, Integrated steel Plants, Aluminum Plants and Hydrocarbon Plants. The contracts cover erection of Mechanical Plant, Structural Works, Piping Works and Electrical Works. The Company also undertakes Engineering and Project Management jobs for Steel Plants and Electrical works at Power Plants.

1.2 Opportunity and threats

During the year under review, the Company booked new orders valued at Rs 105.59 Cr from Power and Steel projects. The existing recessionary trend will not have any significant impact on the performance of the Company in the near term with over Rs 344.54 Cr of order book on hand.

1.3 Future Outlook

The outstanding order position as on 01.04.2014 is Rs. 344.54 Cr. With the healthy order book position, the Company expects executable load over the next 2 years. The management perceives that with the economy showing signs of revival in the current fiscal, the capital investments in the economic sectors of interest to the company can be reasonably expected. The Company has tendered for jobs in Refineries, Power and Steel Plants, which are in various stages of finalization.

1.4 Risk Management

As the contracts undertaken by the Company are generally in the Public Sector and in reputed private sector companies, the risk of payment defaults by

the clients is negligible. The company evaluates project location environment risks while bidding and before accepting contracts. The provision for escalation in cost due to delays in execution of project is considered while quoting tenders and in escalation clauses in the contract.

2. Internal Control System

The Company has instituted a system of internal control to safeguard and protect the assets of the Company. The Company has also appointed an independent auditor whose reports are regularly reviewed by the Management, and guidelines and procedures are formulated and monitored for proper controls.

3. Financial Performances

During the year the Company has recovered an amount of Rs 0.85 crores under one time settlement of a corporate loan.

4. Human Resource Management Initiatives

The Company has increased the supervisory and managerial staff. Further recruitments have been planned at various levels to successfully complete new large orders and improve profitability through systematic training in site operational control and management .

5. Cautionary Statements

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, interest costs, Government regulations, economic developments within/outside the country.

REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreements with Stock Exchanges)

1. Company's Philosophy on Code of Corporate Governance :

The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large, by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/other key stakeholders. Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges is concerned, your Company is in full compliance with the norms and disclosures that have to be made from time to time.

2. Board of Directors :

(a) Composition and size of the Board :

The Board of Directors of the Company consists of five Directors including the Non-Executive Chairman. All these five Directors are Non-Executive Directors out of which three Directors are Independent Directors. The Company did not have any pecuniary relation or transaction with Non-Executive Directors during the year under review.

(b) Board Meetings :

During the year four Board Meetings were held on May 23, 2013, August 13, 2013, November 13, 2013 and February 13, 2014. The Board was presented with the relevant and necessary information. None of the Directors is a member of more than ten Committees or acting as Chairman of more than five Committees across all Companies in which he is a Director. The attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorships is given herein below :

Name of the Director	Category	Attendance Particulars		No. of outside Directorships in Public Limited Companies	No. of Membership (M)/ Chairmanship (C) in other Board Committee(s)*	No. of Shares held in the Company as at 31.03.2014
		Board Meetings	Last AGM			
Shri Rajesh V. Shah	C.NED	4	Yes	5	1 (M)	64220
Shri Niraj Bajaj	NED	4	Yes	10	--	411500
Shri Prakash V. Mehta	NED	4	Yes	7	7 (M)	Nil
Shri N. Ramanathan	NED	3	Yes	--	--	200
Shri R. Sankaran	NED	4	Yes	4	--	438

C : Chairman, NED : Non-Executive Director.

* Excluding Membership / Chairmanship of Remuneration Committee

(c) Re-appointment of Directors (liable to retire by rotation) :

Shri Rajesh V Shah is liable to retire by rotation and being eligible offer himself for re-appointment. Information as required under Clause 49 of the Listing Agreement is given hereunder :-

Name of the Director	Shri Rajesh V Shah
Date of appointment	23rd October, 1989
Expertise in Specific Functional areas	Providing valuable inputs and guidance on matters relating to strategic planning and performance, expansion, diversification, new business decisions of the Company.
List of other Directorships held (in listed Companies)	1) Mukand Limited 2) Ranbaxy Laboratories Limited
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman: Nil Member: Compensation / Audit Committee 1) Ranbaxy Laboratories Ltd.

(d) Appointment of Independent Directors (not liable to retire by rotation) :

Pursuant to Section 152(2) and Section 149(4) of the Companies Act, 2013 read with Schedule IV of the said Act, Shri Prakash V. Mehta, Shri N. Ramanathan and Shri R. Sankaran, Directors of the Company are being appointed as Independent Directors (not liable to retire by rotation) for a period of five consecutive years with effect from August 13, 2014 on the terms and conditions as detailed in the Appointment Letter. Information as required under Clause 49 of the Listing Agreement is given hereunder:-

Name of the Director	Shri Prakash V. Mehta	Shri N. Ramanathan	Shri R. Sankaran
Date of appointment	August 19, 1992	May 14, 2007	February 07, 2012
Expertise in Specific Functional areas	Joint Ventures & Foreign Collaborations, Property and Corporate Laws.	Marketing, Manufacturing and quality control of precision machinery and heavy duty industrial machines including erection and commissioning.	Experience in management of manufacture, designing, planning and quality control of precision machinery and heavy duty industrial machines including erection and commissioning.
List of other Directorships held (in listed Companies)	1) Bharat Bijlee Ltd. 2) PCS Technology Ltd. 3) W. H. Brady & Co. Ltd. 4) Camphor & Allied Products Ltd. 5) Hikal Ltd. 6) Advani Hotels and Resorts (I) Ltd. 7) Mukand Ltd.	Nil	Nil
Chairman / Member of the Committee of the Board of other Companies in which he is a Director	Chairman : Nil Member : Nil A) Audit Committee 1) Bharat Bijlee Ltd. 2) Advani Hotels and Resorts (I) Ltd. 3) Hikal Ltd. 4) Mukand Ltd. 5) Camphor & Allied Products Ltd. B) Shareholders and Investors Grievance Committee (now known as stake holders Relationship committee) 1) Bharat Bijlee Ltd. 2) Hikal Ltd. C) Remuneration Committee 1) Bharat Bijlee Ltd. 2) Advani Hotels and Resorts (I) Ltd. 3) Hikal Ltd. 4) Mukand Ltd.	Chairman: Nil Member: Nil	Chairman: Nil Member: Nil

3. Audit Committee :

The Audit Committee consists of Shri Rajesh V. Shah, Shri Prakash V. Mehta (Chairman of Audit Committee), Shri N. Ramanathan and Shri R. Sankaran as Members, all of whom are independent Directors except Shri Rajesh V. Shah. The terms of reference of the Audit Committee specified by the Board are as contained in Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate.

During the year under review, the Audit Committee met four times on May 23, 2013, August 13, 2013, November 13, 2013 and February 13, 2014. These meetings were also attended by the Statutory Auditors, Internal Auditors, Shri Niraj Bajaj, Director, Shri S. B. Jhaveri, Advisor to the Board, Shri K.P. Jotwani, "Manager" and Shri R. G. Golatkar, Chief Financial Officer as invitees whenever required. Shri P. R. Dhruva, Company Secretary acts as Secretary to the Audit Committee. Apart from considering unaudited and/or audited financial results for the relevant quarter, half year and the year, before submission to the Board for its approval, the Committee focused its attention on other matters which inter-alia included key areas impacting the overall performance of the Company and major accounting policies and practices, review of internal control system, review of current site progress etc.

The attendance at the Audit Committee Meetings during the year is given herein below:

Name of the Director	Category	Attendance Particulars
		Number of Meetings Attended
Shri Prakash V. Mehta	C. NED	4
Shri Rajesh V. Shah	NED	4
Shri N. Ramanathan	NED	3
Shri R. Sankaran	NED	4

C: Chairman, NED: Non-Executive Director.

4. Remuneration Committee and Policy :

The Company has not constituted a Remuneration Committee. The decision regarding remuneration of the "Manager" under the Companies Act, 1956, is taken by the entire Board subject to such approvals as may be necessary. The Company does not pay any remuneration to the Non-Executive Directors except payment of sitting fees for attending the Board / Audit Committee meetings, details of which are given below. However, Shri Rajesh V. Shah, Chairman and Shri Niraj Bajaj, Director of the Company have waived their sitting fees w.e.f. June 30, 2003.

Remuneration paid to Shri K. P. Jotwani "Manager" under the Companies Act, 1956 for the year ended 31st March, 2014.

Particulars	(₹)
Salary and allowances	31,80,830
Contribution to Provident Fund and Other Funds	1,93,233
Perquisites (including approx. money value)	3,00,620
TOTAL	36,74,683

The employee wise break up of liability on account of Retirement Schemes based on Actuarial Valuation is not

ascertainable. The amounts relating to the 'Manager' will be, therefore, disclosed in the year of payment.

Sitting fees paid to the Directors for the year ended 31st March, 2014 are as under:

Sr. No.	Name of the Director	(₹)
1.	Shri Prakash V. Mehta	80,000
2.	Shri N. Ramanathan	60,000
3.	Shri R. Sankaran	80,000
TOTAL		2,20,000

The Company has not issued stock options to any of its Directors.

5. Stakeholders' Relationship Committee:

(Formerly known as Shareholders' / Investors' Grievance Committee)

With the commencement of Section 178(5) of Companies Act, 2013, the Company has changed the nomenclature of the 'Shareholders / Investors Grievance Committee' as 'Stakeholders Relationship Committee'. The said Committee consists of Shri Rajesh V. Shah as the Chairman, Shri Niraj Bajaj and Shri R. Sankaran as Members. The Company Secretary acts as Compliance Officer to the Committee. The meeting of the said Committee was held on May 23, 2013 which was attended by all the members.

There were no major complaints from the stakeholders. The functions of Stakeholders' Relationship Committee are to review and redress Stakeholders' / Investors' query/grievance/complaint on matters relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. Such matters were attended by the Registrar & Transfer Agents within stipulated time and some of the routine complaints were also directly attended by the Company Secretary.

The Committee also oversees the performance of the Registrars and Transfer Agents and recommends measures for overall improvement in the quality of Investors services.

6. Annual General Meetings :

(a) The last three Annual General Meetings were held on the following dates, time and venue:

Financial Year	Date	Time	Venue
2012-2013	August 13, 2013	11.30 a.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021
2011-2012	August 13, 2012	11:30 a.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber (IMC), Churchgate, Mumbai 400020
2010-2011	July 28, 2011	3:30 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021

(b) Following Special Resolutions were adopted in the above three Annual General Meetings:

Financial Year	Date of Annual General Meeting	Particulars of Resolution
2012-2013	August 13, 2013	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a further period of two years with effect from 1st June, 2013
2011-2012	August 13, 2012	Nil
2010-2011	July 28, 2011	Appointment of Shri K. P. Jotwani as the "Manager" of the Company, as defined under Section 2(24) of the Companies Act, 1956, for a further period of two years with effect from 1st June, 2011

(c) No Resolutions were passed vide Postal Ballot during the year.

7. Disclosures :

No transactions of material significance were entered into by the Company with its Promoters, Directors or their relatives, Company's Management or their relatives during the year, which may have potential conflict with the interest of the Company at large. The details of transactions with related parties entered into in the ordinary course of business are disclosed in the accounts and were placed before the Audit Committee. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

No transactions with related parties or others have been entered into which are not at arm's length.

The Company receives professional services in the normal course of business from M/s. Malvi Ranchoddas & Co., a legal firm in which Shri Prakash V. Mehta is a partner. In the opinion of the Board, these transactions do not affect the independence of the said Director.

The process of identification and evaluation of various risks inherent in the business environment and operations of the Company and initiation of appropriate measures for prevention and / or mitigation of the same is dealt with by the Operational Head under the supervision of the "Manager" who has overall responsibility towards the Board of Directors of the Company.

The Company has adopted a Code of Conduct for its Directors and Senior Management cadres in the meeting of the Board of Directors of the Company.

The Company has also instituted a Code of Conduct for prevention of Insider Trading in the securities of the Company for its Directors and Key Managerial personnel as required by SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended.

8. Means of Communication :

Quarterly / half yearly un-audited and yearly audited results are published in English and local language newspapers as specified by SEBI and as required under the Listing Agreements. The Management Discussion and Analysis is a part of the Annual Report. All financial and other vital information is promptly communicated to the Stock Exchanges on which the Company's shares are listed.

9. General Information for Shareholders :

- a. Registered Office Bajaj Bhawan, Jamnalal Bajaj Marg ,226, Nariman Point, Mumbai - 400021
- b. Date, Time and Venue of Annual General Meeting Wednesday, 13th August, 2014 at 11:30 a.m. Kamalnayan Bajaj Hall, Bajaj Bhawan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021.
- c. Reporting in the Financial Calendar 2014-2015 :
 - June 30
 - September 30
 - December 31
 - For the year ending March 31

} Within 45 Days from the end of the Quarter

} Within 60 Days from the year end
- d. Dates of Book Closure 6th August, 2014 to 13th August, 2014 (both days inclusive)
- e. Listing Details :

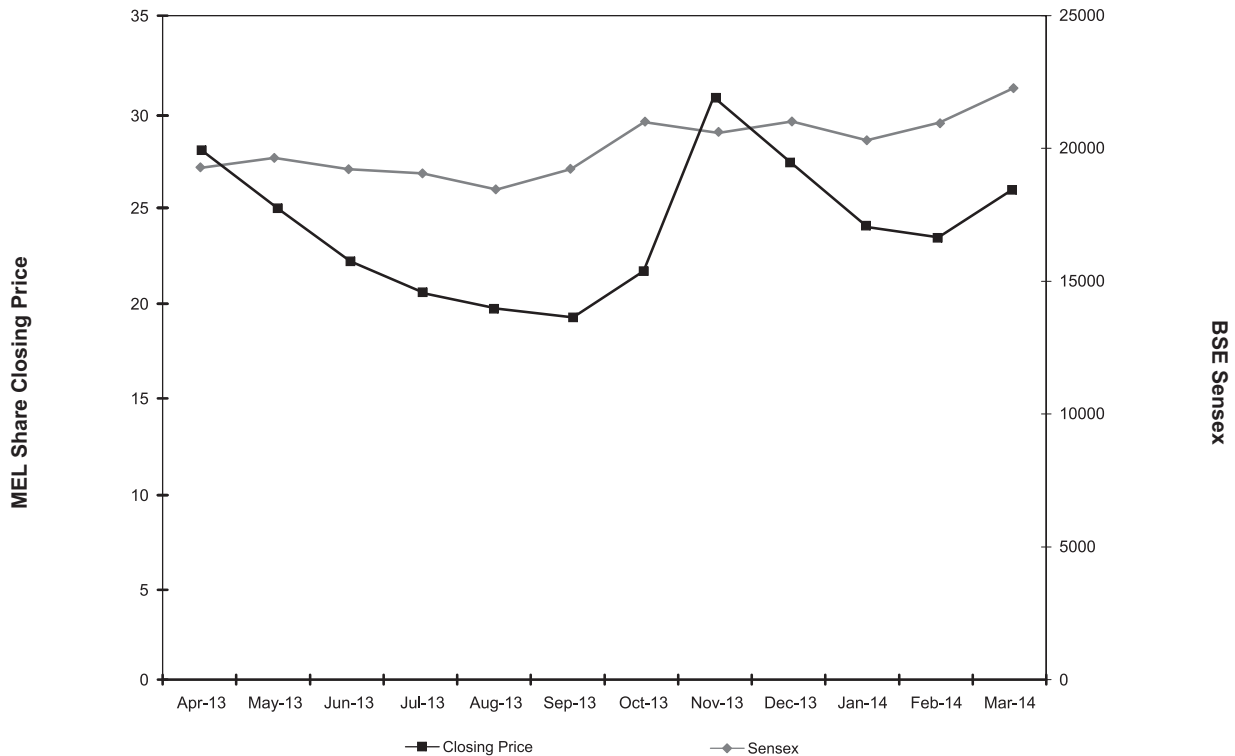
The Company's Shares are listed on the Stock Exchanges at Mumbai (Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd.). The Company has paid the listing fees for the period from April 1, 2014 to March 31, 2015 to both the Stock Exchanges where the shares of the Company are listed.
- f. Stock code
 1. Bombay Stock Exchange (BSE) 532097
 2. National Stock Exchange (NSE) MUKANDENGG
 3. ISIN INE 022B01014
 4. Corporate Identity Number (CIN) L45200MH1987PLC042378

g. Stock Market Data :

Month	Bombay Stock Exchange Ltd. (BSE) (in ₹)			National Stock Exchange of India Ltd. (NSE) (in ₹)		
	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)	Month's High Price	Month's Low Price	Total Volume of Shares Transacted (Nos.)
Apr-2013	31.75	23.50	66229	33.50	23.95	116692
May-2013	29.50	24.70	41142	29.65	24.20	51705
June-2013	25.80	21.30	99130	26.40	21.05	78715
July-2013	25.20	20.65	68585	25.00	19.50	35464
Aug-2013	26.00	18.00	211612	25.95	17.60	403477
Sep-2013	22.90	19.75	55134	22.85	18.45	70091
Oct-2013	23.90	19.00	74649	23.00	19.00	61311
Nov-2013	32.00	20.60	452402	32.90	19.50	851790
Dec-2013	31.80	24.50	141300	31.00	24.30	252677
Jan-2014	29.95	24.00	126500	29.70	24.00	128936
Feb-2014	26.90	23.00	57683	26.30	22.20	62549
Mar-2014	28.30	23.05	160539	28.45	23.10	297185

Comparative Stock Price Performance:

The Equity share prices of the Company on BSE in comparison with the BSE Sensex for the period from 1st April, 2013 to 31st March, 2014 is given in the following graph:



h. Registrar and Transfer Agents

(For share transfers and other communication relating to share certificates, dividend and change of address, etc.)

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Vihar, Sakinaka, Andheri (East) Mumbai - 400 072.
Tel : (022) 28470652 / 53 / 40430200. Fax : (022) 28475207
E-Mail : info@bigshareonline.com
Website : www.bigshareonline.com

Our Registrar & Transfer Agents M/s Bigshare Services Private Limited has launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (www.bigshareonline.com) and help them to serve you better.

i. Share Transfer System

The Share Transfers are approved by a Committee of Directors and are registered within a period of 7 days from the date of receipt, if the documents are complete in all respect. During the year under review, the Company has followed the guidelines issued by SEBI for dematerialisation of shares sent for transfer by the investors.

Total number of shares transferred in physical form (non-dematerialised) during 2013-2014 were 1712 shares.

There were no transfers which remained unattended as of March 31, 2014.

The Board in their respective Board Meetings duly ratifies the transfers.

j. Investor Services (Complaints received during the year)

Nature of Complaints / Queries	2013-2014		2012-2013	
	Received	Cleared	Received	Cleared
	Relating to Transfer, Transmission, Dividend, Demat & Remat, Change of address and others	207	207	257

There were no complaints / queries pending reply as on March 31, 2014

k. Distribution of Shareholding as on :

No. of Equity shares held	31st March, 2014				31st March, 2013			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1-100	19721	79.90	474448	3.77	20102	80.09	486661	3.87
101-200	1765	7.15	309431	2.46	1810	7.21	317139	2.52
201-500	1801	7.30	675018	5.37	1806	7.20	676108	5.38
501-1000	707	2.86	591381	4.70	699	2.79	586199	4.66
1001-5000	536	2.17	1195636	9.51	533	2.12	1169083	9.30
5001-10000	71	0.29	508128	4.04	69	0.27	503369	4.00
10001 & above	80	0.33	8818358	70.15	81	0.32	8833841	70.27
Total	24681	100.00	12572400	100.00	25100	100.00	12572400	100.00

l. Categories of Shareholding as on :

Categories	31st March, 2014				31st March, 2013			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Individuals	24177	97.97	4550364	36.19	24592	97.98	4461042	35.47
Corporate	329	1.33	900331	7.16	337	1.34	999085	7.95
Financial Institutions	5	0.02	1335	0.01	5	0.02	1335	0.01
FIs	1	0.00	65	0.00	1	-	65	-
NRIs/OCBs	104	0.42	99334	0.79	98	0.39	89902	0.72
Banks	10	0.04	1048	0.01	10	0.04	1048	0.01
Mutual Funds	3	0.01	800	0.01	3	0.01	800	0.01
Trusts	15	0.06	260098	2.07	15	0.06	260098	2.07
Promoters	37	0.15	6759025	53.76	39	0.16	6759025	53.76
Total	24681	100.00	12572400	100.00	25100	100.00	12572400	100.00

- m. **Dematerialisation of Shares and Liquidity** : 95.53% of outstanding equity shares have been dematerialised up to March 31, 2014. Trading in Equity Shares of the Company on any Stock Exchange is permitted only in the dematerialised form from July 24, 2000 as per Notifications issued by SEBI
- n. **Plant Locations** : The Company has no plants but carries out jobs at various sites of customers.
- o. **Investor Correspondence** : For any queries, investors are requested to get in touch with the Company's Registrar and Transfer Agents: Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400072.
- Registered Office of the Company :
Bajaj Bhawan, Jammalal Bajaj Marg,
226, Nariman Point, Mumbai - 400 021.
- p. **Auditor's Certificate of Corporate Governance** : The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with Stock Exchanges. This is annexed to the Directors' Report. The certificate will be sent to the Stock Exchanges along with annual report to be filed by the Company.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Mukand Engineers Limited

We have examined the compliance of Corporate Governance by Mukand Engineers Limited (the Company), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s).

The compliance conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

GIRISH M. PATHAK

Partner

Membership No.102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN-106009W

Mumbai, dated the 28th May, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Engineers Limited Report on the Financial Statements

We have audited the accompanying financial statements of M/s Mukand Engineers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 issued by Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to:

- Note No. 28.1 to the financial statements, relating to overdue loans, aggregating ₹ 10,14,50,000/- (Previous Year ₹ 10,34,00,000/-) and Interest Receivable thereon, aggregating ₹ 4,29,57,419/- (Previous Year ₹ 4,95,48,194/-), at the end of the year, that are due from investment companies whose net worth have eroded. The Management's assessment on the recoverability from the financial assets of these companies is subject to uncertainties and which if do not materialize, could significantly impact the carrying values of the aforesaid loans & interest thereon.
- Note No. 30 to the financial statements, relating to the change in accounting policy during the year in respect of valuation of contract work in progress, resulting into increase in Profit before tax by ₹ 2,63,81,549/-

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended the Companies (Auditor's Report) (Amendment) Order, 2004, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 issued by Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

GIRISH M. PATHAK
Partner

Membership No. 102016

For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN - 106009W

Mumbai, dated the 28th May, 2014

AUDITOR'S REPORT (Contd.)**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

(The Annexure referred to in our report to the members of Mukand Engineers Limited ('the Company') for the year ended March 31, 2014.)

- (i) In respect of its Fixed Assets:
- (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As per the explanation given to us, the Fixed Assets were physically verified by the Management in accordance with a regular program covering all the assets over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on the information and explanations given by the Management and on the basis of audit procedures performed by us, we are of the opinion that the fixed assets disposed off during the year do not constitute a substantial part of fixed assets of the Company and such disposal has not affected the going concern status of the Company.
- (ii) In respect of its Inventories:
- (a) The inventory excluding stocks with sub contractors/ third parties and Work- in-Progress has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, we are of the opinion that the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items of purchase/services availed are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register have been so entered.
 - (b) Where each of such transaction is in excess of Rupees Five Lacs in respect of any party, transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975 with regards to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business;
- (viii) In respect of Statutory Dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Entry Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no dues towards Custom Duty, Wealth Tax and Excise Duty during the year.
 - (b) According to information and explanations given to us, there were no undisputed amounts payable in

respect of Income Tax, Service Tax, Entry Tax, Cess and other material statutory dues in arrears as on 31st March, 2014 for a period of more than six months from the date they become payable.

- (c) According to information and explanations given to us upon our enquiries in this regard and records of the Company, the disputed statutory dues in respect of Income Tax, Service Tax, Customs Duty, Excise Duty, Works Contract Tax, Entry Tax and Cess unpaid as at the last day of the financial year, are as under:

Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Income Tax	11,309,594	2000-01, 2001-02 and 2002-03	High Court of Bombay
Income Tax	8,455,448	1999-2000 2005-06	Income Tax Appellate Tribunal
Income Tax	183,504	2009-10	Commissioner of Income Tax
Income Tax	7,310,187	2002-03 to 2009-10	Income Tax Department Authorities
Works Contracts Tax	2,472,505	2001-02 to 2004-05	Sales Tax Department Authorities
Entry Tax	811,713	1999-2000 to 2002-03	High Court
Entry Tax	127,835	2003-04 1999-2000	Asst. Commissioner (Sales Tax)

- (ix) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year;
- (x) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank during the year. There are no dues to any debenture holder;
- (xi) In our opinion and according to information & explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xii) In our opinion and according to information & explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. All the investments are held by the Company, in its own name;
- (xiii) In our opinion and according to information & explanations given to us and the representations made by the Management, the terms and conditions at which the guarantees given by the Company for loans taken from financial institutions and/ or banks by others, are prima facie not prejudicial to the interests of the Company;
- (xiv) In our opinion and according to information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xv) On the basis of review of utilization of funds on an overall basis, related information as made available to us and examination of the financial statements of the Company, we are of the opinion that prima facie short term funds have not been used for long term purposes during the year;
- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act;
- (xvii) According to information and explanations given to us, the Company has not issued any debentures during the year.
- (xviii) The Company has not raised any monies by public issue during the year under review;
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Looking at the nature of activities being carried on, at present, by the Company, and also considering the nature of matters referred to in various clauses of the Order, as amended, issued by the Central Government in terms of Section 227 (4A) of the Act, clauses (viii) & (xiii) of paragraph 4 of the aforesaid Order, are in our opinion, not applicable to the Company.

GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN - 106009W

Mumbai, dated the 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	₹	31.03.2014 ₹	31.03.2013 ₹
I. EQUITY & LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2	125,797,500		125,797,500
(b) Reserves and Surplus	3	455,397,459		451,940,197
			581,194,959	577,737,697
(2) Non Current Liabilities				
(a) Long-term borrowings	4	140,541,368		154,032,186
(b) Deferred tax liabilities (Net)	5	13,056,270		21,265,276
(c) Long-term provisions	6	28,282,179		25,375,297
			181,879,817	200,672,759
(3) Current Liabilities				
(a) Short-term borrowings	7	310,138,558		301,286,607
(b) Trade payables		348,141,027		163,664,984
(c) Other current liabilities	8	152,248,377		129,029,466
(d) Short-term provisions	9	16,448,904		16,937,587
			826,976,866	610,918,644
			1,590,051,642	1,389,329,100
II. ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets	10			
(i) Tangible assets		95,908,700		103,637,088
(ii) Intangible assets		3,394,374		2,875,909
		99,303,074		106,512,997
(b) Non-current investments	11	31,866,012		17,560,812
(c) Long-term loans and advances	12	213,540,624		302,719,725
(d) Other non-current assets	13	59,325,313		56,364,694
			404,035,023	483,158,228
(2) Current Assets				
(a) Inventories	14	401,772,186		292,105,336
(b) Trade Receivables	15	613,116,484		416,006,271
(c) Cash and Bank Balances	16	3,116,834		8,754,709
(d) Short-term loans and advances	17	118,295,644		137,070,135
(e) Other current assets	18	49,715,471		52,234,421
			1,186,016,619	906,170,872
			1,590,051,642	1,389,329,100
TOTAL				
Significant Accounting Policies	1			

Notes 1 to 39 form an integral part of the financial statements

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 28, 2014

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary

Mumbai, May 28, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	2013-2014 ₹	2012-2013 ₹
I. Revenue from Operations	19	854,783,911	760,190,026
II. Other Income	20	30,250,143	20,862,532
III. Total Revenue (I + II)		<u>885,034,054</u>	<u>781,052,558</u>
IV. Expenses			
Contract Execution Costs	21	621,572,379	473,567,208
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(104,393,720)	(69,632,604)
Employee Benefits Expense	23	187,431,978	167,126,443
Finance Costs (Net)	24	45,785,416	40,348,513
Depreciation and Amortisation		11,064,073	9,352,805
Other Expenses	25	95,281,162	107,088,695
Total Expenses		<u>856,741,288</u>	<u>727,851,060</u>
V. Profit for the year before Exceptional Items and tax (III- IV)		28,292,766	53,201,498
VI. Exceptional Items		1,135,431	-
VII. Profit for the year before Tax (V- VI)		27,157,335	53,201,498
VIII. Tax Expense			
(1) Current Tax		17,200,000	16,000,000
(2) Deferred Tax (Credit) / Charge		(8,209,006)	1,042,615
		<u>8,990,994</u>	<u>17,042,615</u>
IX. Profit/(Loss) for the year after Tax (VII- VIII)		18,166,341	<u>36,158,883</u>
X. Earnings per equity share of ₹ 10 each	26		
(1) Basic (in ₹)		1.44	2.88
(2) Diluted (in ₹)		1.44	2.88
Significant Accounting Policies	1		

Notes 1 to 39 form an integral part of the financial statements

As per our attached report of even date

GIRISH M. PATHAK
Partner
Membership No: 102016

RAJESH V. SHAH
Chairman

R. SANKARAN
Director

For & on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W
Mumbai, May 28, 2014

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary
Mumbai, May 28, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014		2012-2013
	₹	₹	₹
A. <u>Cash Flow from Operating Activities</u>			
Profit before exceptional items and tax		28,292,766	53,201,498
Add:			
a) Depreciation /Amortisation expense	11,064,073		9,352,805
b) Facilities at Customers' sites Written off	1,102,887		4,908,698
c) Loss on Sale of Assets	260,064		1,347,509
d) Interest and Finance charges (Net)	45,785,416		40,348,513
e) Bad Debts	-		19,236,844
f) Sundry Balances Written-off / Appropriated	1,446,952		1,800,730
g) Loans to Companies Written-off	1,850,000		-
h) Interest Receivable Written-off	6,590,775		-
		68,100,167	76,995,099
Less:			
a) Interest Income	19,430,816		16,301,606
b) Dividend on Investments	52		52
c) Profit on Sale of Assets	46,257		311,372
d) Excess Provision Written Back (Net)	1,731,495		3,863,211
e) Exceptional Items	1,135,431		-
		22,344,051	20,476,241
Operating Profit before Working Capital changes		74,048,882	109,720,356
Add / (Less) :			
a) (Increase) / Decrease in Long term Bank Deposits	395,586		(21,504,303)
b) Increase / (Decrease) in Trade and Other Payables	210,227,370		496,395
c) (Increase) / Decrease in Trade and Other Receivables	(168,561,224)		21,420,705
d) (Increase) / Decrease in Inventories	(109,666,850)		(72,571,217)
		(67,605,118)	(72,158,420)
Cash Inflow / (Outflow) generated from Operations		6,443,764	37,561,936
Less: Direct taxes paid		3,951,314	27,716,464
Net Cash Inflow / (Outflow) from Operating Activities		2,492,450	9,845,472

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	2013-2014		2012-2013
	₹	₹	₹
B. <u>Cash Flow from Investing Activities</u>			
Inflow:			
a) Sale of Assets	3,722,730		2,248,887
b) Interest received	15,358,991		14,046,377
c) Dividend on Investments	52		52
d) Loans realised	63,034,912		14,923,010
		82,116,685	31,218,326
Outflow:			
a) Acquisition of Fixed Assets	7,790,687		33,583,794
b) Investments in shares	14,305,200		-
c) Additions to Facilities at Customers' Sites	4,489,092		739,510
		26,584,979	34,323,304
Net Cash Inflow / (Outflow) from Investing Activities		55,531,706	(3,104,978)
C. <u>Cash Flow from Financing Activities</u>			
Inflow:			
Increase/(decrease) in borrowings (Net)		(6,101,730)	45,583,245
Outflow:			
a) Dividend paid	14,422,775		14,417,631
b) Interest paid (Net)	43,137,526		40,324,779
		57,560,301	54,742,410
Net Cash Inflow / (Outflow) from Financing Activities		(63,662,031)	(9,159,165)
Net (Decrease) in Cash / Cash Equivalents		(5,637,875)	(2,418,671)
Add: Balance at the beginning of the year		8,754,709	11,173,380
Cash / Cash Equivalents at the close of the year		3,116,834	8,754,709
<u>Cash / Cash Equivalents at the close of the year (refer Note No.16)</u>			
Cash on hand		289,864	360,009
Bank balances		2,755,970	8,101,300
Fixed Deposit Account		71,000	293,400
		3,116,834	8,754,709

As per our attached report of even date

GIRISH M. PATHAK
Partner
Membership No: 102016

RAJESH V. SHAH
Chairman

R. SANKARAN
Director

For & on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W
Mumbai, May 28, 2014

K. P. JOTWANI
Manager

P. R. DHRUVA
Company Secretary
Mumbai, May 28, 2014

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting :**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and the provisions of Companies Act, 2013, to the extent notified.

The Company is in to construction / erection business, where, the operating cycle depends upon the completion of the project, which is generally beyond twelve months. However, the Company has considered its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities. Where as per the specific terms of the contract, the amounts are due beyond twelve months, the classification of assets and liabilities in to current and non-current is made accordingly.

1.2 Fixed Assets and Depreciation :**(i) Fixed Assets :**

Fixed Assets are stated at cost of acquisition / book value less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets individually costing ₹ 5,000/- or less are depreciated fully in the year of Acquisition.

(ii) Depreciation / Amortisation :

(a) Depreciation on assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except on assets acquired on second hand basis, where depreciation is provided over their remaining estimated useful life.

(b) Cost of Intangibles capitalised is amortised over their useful life.

(c) Cost of ERP Software capitalised is amortised over a period of five years.

(d) Depreciation / Amortisation on additions or on sale / discard of assets is provided on pro-rata basis from the month of such addition or up to the month of such sale / discard as the case may be.

1.3 Investments :

Investments are classified into current and non-current investments. All non-current investments are stated at cost. Diminution, if any, in the value of investments, other than temporary, is provided for each investment individually. Current investments are stated at lower of cost & market value/net realisable value.

1.4 Inventories :**(i) Stores and Spares :**

Stores and Spares are valued at cost or net realisable value whichever is lower, computed on weighted average basis. Cost comprises of all costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

(ii) Incomplete Contract Works under Contract Work-in-Progress :

"Incomplete Contract Works" are valued by the direct cost method. The direct cost is determined for each contract separately by considering all direct costs specifically attributable to each contract. However, where the outcome of the contract, based on percentile completion method is ascertained reliably after taking into account all future costs, and revenues, proportionate profit attributable to each contract is considered. The concept of valuation of "Incomplete Contract Works" under "Contract Work-in-Progress" arises only after the stage when direct costs under each contract are not carried forward any further as "Accumulated Direct Costs" as contemplated in policy 1.6(iii) below.

1.5 Amortisation of Facilities at Customers' site :

All facilities in the nature of assets created at the customers' site and which are to be abandoned at the end of the each contract are written off / amortised in equal monthly instalments over the period commencing from the month of completion of the individual facility upto the contracted month for completion of the contract plus twelve months. Billable reimbursements against such facilities, if separately identified in a contract, are similarly credited in equal annual instalments against the write-offs over the said period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

1.6 Revenue Recognition :

Engineering construction business :

- (i) Income by way of revenue arising out of execution of contract work (including supply of materials), is credited as "Income" only after at least 5% / 10% / 15% (depending upon each contract value) of the total estimated contract costs (i.e. direct and indirect costs) in respect of each contract are incurred (on accrual basis). Such revenue is recognised, as the contract progresses, by reference to the stage of completion of each contract and the invoices acknowledged by the customer's representative. Procurement of goods and materials, prior to commencement of the contract activity, is not considered as a progress in the contract activity and hence, no revenue is recognised, although, value of such goods and materials procured, exceeds 5% / 10% / 15% of the estimated contract costs.
- (ii) The Company follows the "Percentage of Completion Method" of accounting for execution of contract work. The revenue from the execution of contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and therefore, the invoices raised for claiming periodic payments from customers are not accounted as income and the "Trade Receivables / Advances received against Contracts" are reflected accordingly.

Claims made on account of escalation in costs and on account of variation in contract work approved by the customers, are both, recognised as revenue only when and to the extent of the acceptance / realisation of the amount of the claim or variation.
- (iii) Direct costs i.e. all costs related to contracts, which are accounted on accrual basis, are charged to revenue in respect of each contract undertaken, only after at least 5% / 10% / 15% of the total estimated all direct and indirect contract costs in respect of each contract are incurred. Till such time, all such direct costs accounted in respect of each contract are carried forward to the next accounting year as "Accumulated Direct Costs" under "Contract Work-in-Progress". Indirect costs are treated as expenses for the year in which they are incurred on accrual method of accounting and charged to revenue.

Infotech Business :

- (iv) Income from Infotech services provided is accounted on accrual basis.

Other Income and Expenditure :

- (v) Other Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.
- (vi) Dividend income is accounted in the period in which the right to receive the same is established.

1.7 Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures related to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences between actual results and estimates are recognised in the period in which results are known.

1.8 Retirement and other Employee Benefits :

- (i) **Short term employee benefits** are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.
- (ii) **Post employment benefits**
 - (a) Defined contribution plans :
Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.
 - (b) Defined benefit plans :
The present value of the gratuity obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. The gratuity liability is funded with the Life Insurance Corporation of India and the fair value of the plan assets, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.
- (iii) **Long term compensated absences** are provided on the basis of an actuarial valuation using the Projected Unit Credit Method.
- (iv) **Termination Benefits** are recognised as an expense in the Statement of Profit and Loss for the year in which they are incurred.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014****1.9 Foreign Currency Fluctuations :**

- (i) All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- (ii) Monetary items in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

1.10 Borrowing Costs :

Interest and other borrowing costs attributable to qualifying assets are Capitalised. Other interest and borrowing costs are charged to revenue.

1.11 Taxation :

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- (i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.
- (ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

1.12 Impairment of Assets :

The Company, at each balance sheet date, assesses whether there is any indication that an individual asset or group of assets constituting a Cash Generating Unit (CGU) may be impaired. Provision for impairment loss is recognised where the recoverable amount of an asset or a CGU, is less than its carrying amount. Provisions for impairment losses recognised in earlier years are further reviewed at each balance sheet date and adjusted for changes in the estimated recoverable amount of asset / CGU.

1.13 Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.14 Assets taken on lease :

Assets taken on finance lease are accounted in accordance with Accounting Standard 19 on Leases. Lease payments are apportioned between finance charges and reduction of outstanding liabilities.

1.15 Cash flow statement :

Cash flows are reported using the Indirect Method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.16 Cash and bank balances :

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.17 Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**
2. SHARE CAPITAL

Particulars	31.03.2014		31.03.2013	
	Number of Shares	₹	Number of Shares	₹
a) Authorised				
Equity Shares of ₹10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Preference Shares of ₹100/- each	500,000	50,000,000	500,000	50,000,000
	<u>20,500,000</u>	<u>250,000,000</u>	<u>20,500,000</u>	<u>250,000,000</u>
b) Issued				
Equity Shares of ₹10/- each	12,592,700	125,927,000	12,592,700	125,927,000
	<u>12,592,700</u>	<u>125,927,000</u>	<u>12,592,700</u>	<u>125,927,000</u>
c) Subscribed and Paid up				
i) Equity Shares of ₹10/- each fully paid up	11,973,900	119,739,000	11,973,900	119,739,000
ii) Fully paid up pursuant to contract(s) without payment being received in cash	598,500	5,985,000	598,500	5,985,000
iii) Forfeited Shares	20,300	73,500	20,300	73,500
Total	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

2.1 RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING :

Particulars	31.03.2014		31.03.2013	
	Equity Shares		Equity Shares	
	Number of Shares	₹	Number of Shares	₹
Equity Shares at the beginning of the year	12,592,700	125,797,500	12,592,700	125,797,500
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	<u>12,592,700</u>	<u>125,797,500</u>	<u>12,592,700</u>	<u>125,797,500</u>

2.2 DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% SHARES :

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
a) Mukand Ltd	4,539,781	36.05%	4,539,781	36.05%
b) Jamnalal Sons Private Ltd	1,392,095	11.05%	1,392,095	11.05%
Total	<u>5,931,876</u>	<u>47.10%</u>	<u>5,931,876</u>	<u>47.10%</u>

2.3 The Company has issued only one class of shares referred to as equity shares having par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

* The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the Annual General Meeting.

* In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amount, in the proportion of the number of equity shares held by each share holder.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	31.03.2014		31.03.2013
	₹	₹	₹
3. RESERVES AND SURPLUS			
(a) Securities Premium Account			
As per last Balance Sheet		224,766,229	224,766,229
(b) General Reserve			
As per last Balance Sheet		7,356,868	7,356,868
(c) Surplus			
Opening balance	219,817,100		198,270,175
Add : Profit for the year	18,166,341		36,158,883
Less: Proposed Dividend (#)	(12,572,400)		(12,572,400)
Less: Tax on Dividend	(2,136,679)		(2,039,558)
Closing Balance		223,274,362	219,817,100
Total		455,397,459	451,940,197
(#) - Dividend proposed to be distributed to equity share holders is ₹ 1.00 (Previous Year - ₹ 1.00) per equity share.			
4. LONG-TERM BORROWINGS			
(i) Secured			
Long term maturities of Finance lease obligations			
From Banks	8,871,669		14,030,919
From Other Parties	349,699		512,267
(Refer note 4.1 and 31)		9,221,368	14,543,186
(ii) Unsecured			
Public Deposits (Refer note 4.2)		131,320,000	139,489,000
Total		140,541,368	154,032,186

4.1 Finance lease obligations are secured against leased assets. Terms of repayment and rates of interest are as under :

Finance Lease of ₹ 9,221,368 Repayable in FY 2014-2015, FY 2015-2016 and FY 2016-2017 at 11.00% p.a.

Installments falling due in respect of the above loans aggregating to ₹ 551,794/- upto 31st March, 2015 have been grouped under "Current maturities of finance lease obligations" (Refer note 8)

4.2 Repayment Schedule of Public Deposits is as under :

Public Deposits of ₹ 74,620,000 Repayable in FY 2015-2016 at Interest rates ranging from 9.75% to 11.75% p.a.

Public Deposits of ₹ 56,700,000 Repayable in FY 2016-2017 at Interest rates ranging from 9.75% to 11.75% p.a.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	31.03.2014	31.03.2013
	₹	₹
5. DEFERRED TAX LIABILITIES (NET)		
Liabilities :		
Deferred tax liabilities in respect of income	9,297,504	18,595,009
Deferred tax liabilities in respect of depreciation	14,521,933	14,991,372
Total	23,819,437	33,586,381
Assets :		
Deferred tax Assets in respect of Taxes, Duties etc.	1,174,370	2,256,201
Deferred tax Assets in respect of employee benefits	9,025,939	9,502,045
Deferred tax Assets in respect of provision for doubtful debts	562,858	562,859
Total	10,763,167	12,321,105
Net deferred tax liability	13,056,270	21,265,276
6. LONG-TERM PROVISIONS		
Provision for employee benefits (Net) (Refer note 1.8 and 23.2)	27,282,179	24,375,297
Provision for warranties (Refer note 6.1)	1,000,000	1,000,000
Total	28,282,179	25,375,297
6.1 DETAILS OF PROVISION FOR WARRANTIES		
Opening Balance	1,000,000	1,000,000
Add: Provision for the year	-	-
Less: Payment made during the year	-	-
Less: Released during the year	-	-
Closing Balance	1,000,000	1,000,000
7. SHORT-TERM BORROWINGS		
Loan repayable on demand		
(i) Secured		
From Bank (Refer note 7.1)	197,225,558	178,470,607
Deposits		
(i) Unsecured		
Public Deposits	65,413,000	50,816,000
Inter Corporate Deposits	47,500,000	72,000,000
Total	310,138,558	301,286,607

7.1 Nature of security for short term Loans

Cash credit facility from Central Bank of India is secured by:

- (i) Hypothecation of all, present and future, stocks, book debts and fixed assets excluding assets taken on hire purchase, of the Company.
- (ii) Pledge of 681,200 equity shares of Mukand Ltd.
- (iii) Corporate Guarantee given by an associate company.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	31.03.2014		31.03.2013
	₹	₹	₹
8. OTHER CURRENT LIABILITIES			
Current maturities of finance lease obligations (Refer note 31)	5,321,818		6,784,681
Interest accrued but not due on Public Deposits	12,155,420		9,507,530
Unclaimed Deposit	1,557,000		2,039,000
Advance received against Contracts {Refer note 1.6 (ii)}	24,287,820		30,895,951
Unclaimed Dividend (*)	896,984		707,801
Other liabilities (\$)	108,029,335		79,094,503
		152,248,377	129,029,466
Total		152,248,377	129,029,466
(\$ Includes statutory dues and payable to employees.			
* There are no amounts due for payment to Investors Education and Protection Fund at the year end under section 205C of the Companies Act, 1956.			
9. SHORT-TERM PROVISIONS			
Proposed dividend	12,572,400		12,572,400
Tax on dividend	2,136,679		2,039,558
		14,709,079	14,611,958
For employee benefits (Refer note 1.8 and 23.2)		1,739,825	2,325,629
Total		16,448,904	16,937,587

10. FIXED ASSETS

(₹)

ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2014	Upto 1st April, 2013	Depreciation For the Year	Deductions/ Adjustments	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
A TANGIBLE ASSETS										
Own Assets										
Plant and Equipment	65,743,027	4,672,211	6,447,145	63,968,093	22,693,594	4,891,761	2,512,116	25,073,239	38,894,854	43,049,432
Computers	122,041,871	152,096	30,160	122,163,807	112,791,060	1,339,347	28,652	114,101,755	8,062,052	9,250,811
Furniture and Fixtures etc. \$	24,482,013	758,290	-	25,240,303	9,580,906	1,041,463	-	10,622,369	14,617,934	14,901,106
Vehicles	1,044,849	-	-	1,044,849	267,521	101,551	-	369,072	675,777	777,328
Sub-Total	213,311,760	5,582,597	6,477,305	212,417,052	145,333,081	7,374,122	2,540,768	150,166,435	62,250,617	67,978,677
Assets under Lease #										
Plant and Machinery	39,810,096	-	-	39,810,096	5,192,174	1,890,980	-	7,083,154	32,726,942	34,617,924
Vehicles	1,151,008	-	-	1,151,008	110,521	109,346	-	219,867	931,141	1,040,487
Sub-Total	40,961,104	-	-	40,961,104	5,302,695	2,000,326	-	7,303,021	33,658,083	35,658,411
Total (A)	254,272,864	5,582,597	6,477,305	253,378,156	150,635,776	9,374,448	2,540,768	157,469,456	95,908,700	103,637,088
B INTANGIBLE ASSETS										
Own Assets										
Intellectual Property Rights	52,000,000	-	-	52,000,000	52,000,000	-	-	52,000,000	-	-
ERP Software	7,279,500	2,208,090	-	9,487,590	4,403,591	1,689,625	-	6,093,216	3,394,374	2,875,909
Sub-Total (B)	59,279,500	2,208,090	-	61,487,590	56,403,591	1,689,625	-	58,093,216	3,394,374	2,875,909
Total (A+B)	313,552,364	7,790,687	6,477,305	314,865,746	207,039,367	11,064,073	2,540,768	215,562,672	99,303,074	106,512,997
Previous Year	287,492,277	33,583,794	7,523,707	313,552,364	201,925,245	9,352,805	4,238,683	207,039,367	106,512,997	

\$ - Includes Office Equipments

- Refer Note 31

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**
11. NON-CURRENT INVESTMENTS

Particulars	Book Value (₹)		Market Value (₹)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
A. Other Investments (Quoted) - At Cost :				
Mukand Limited (Associate) #				
1,362,400 Equity Shares of ₹ 10/- each fully paid up (Previous year - 681,200 Equity Shares of ₹ 10/- each, fully paid up). 681,200 shares of ₹ 10/- each fully paid at premium of ₹ 11/- per share have been acquired during the year.	31,342,012	17,036,812	32,016,400	18,051,800
52,400 (Previous Year - 52,400) 0.01% Cumulative Redeemable Preference Shares of ₹ 10/- each, fully paid up	524,000	524,000	248,900	404,004
Total - Quoted	31,866,012	17,560,812	32,265,300	18,455,804
B. Other Investments (Unquoted)				
(At cost less Provision)				
Indian Thermal Power Limited (Associate)				
7,153 (Previous Year - 7,153) Equity Shares of ₹ 10/- each, fully paid up	71,530	71,530	-	-
Less: Provision for Diminution in Value	(71,530)	(71,530)	-	-
Total - Unquoted	-	-	-	-
Total Non-Current Investments	31,866,012	17,560,812	32,265,300	18,455,804

681,200 Equity Shares fully paid pledged as collateral security against working capital facilities availed from Central Bank of India {refer note 7.1(ii)}

Particulars	31.03.2014		31.03.2013
	₹	₹	₹
12. LONG TERM LOANS & ADVANCES			
a) Security Deposits			
Unsecured, considered good		2,190,508	1,950,838
b) Loans and advances to related parties			
Secured, considered good			
Loan to Company on assignment of debt by a bank (Refer note 29)		-	54,535,224
c) Other loans and advances			
Unsecured, considered good			
Balance with Revenue Authorities (Net of Provision)	116,519,471		140,723,967
Loans to Companies (Refer note 28.1)	93,050,000		103,400,000
Advance paid to Suppliers, Contractors	1,780,645		2,109,696
Total		211,350,116	246,233,663
		213,540,624	302,719,725

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	31.03.2014	31.03.2013
	₹	₹
13. OTHER NON-CURRENT ASSETS		
a) Long term Trade Receivables		
Unsecured, Considered Good (\$)	11,786,154	11,816,154
b) Facilities at Customers' Site (Refer note 1.5)		
Opening Balance	594,237	4,763,425
Add: Addition during the year	4,489,092	739,510
Less: Written-off during the year	1,102,887	4,908,698
	<u>3,980,442</u>	<u>594,237</u>
c) Others		
Margin Money with Banks (#)	43,558,717	43,954,303
Total	<u>59,325,313</u>	<u>56,364,694</u>
# - Represents Fixed Deposits with Banks towards margin money for non fund based facilities availed.		
\$ - As per the terms of contract where the defection period is over.		
14. INVENTORIES (Refer note 1.4)		
Stores & Spares	15,926,316	10,653,186
Contract Work- in-progress		
Incomplete Contract Works (Valued at cost)	368,436,693	262,571,654
Accumulated Direct Costs	17,409,177	18,880,496
	<u>385,845,870</u>	<u>281,452,150</u>
Total	<u>401,772,186</u>	<u>292,105,336</u>
15. TRADE RECEIVABLES		
Trade Receivables outstanding for a period exceeding six months		
Unsecured, Considered Good	151,015,408	280,459,371
Unsecured, considered doubtful	1,734,808	1,734,808
Less: Provision for doubtful debts	1,734,808	1,734,808
	<u>151,015,408</u>	<u>280,459,371</u>
Trade Receivable Outstanding for a period of less than six months		
Unsecured, Considered Good	462,101,076	135,546,900
Total	<u>613,116,484</u>	<u>416,006,271</u>
16. CASH AND BANK BALANCES		
Cash and cash equivalents		
a) Cash on hand	289,864	360,009
b) Balances with Banks		
(i) in Current accounts	1,858,986	7,393,499
(ii) in Unpaid dividend accounts	896,984	707,801
(iii) in Fixed Deposits	71,000	293,400
	<u>3,116,834</u>	<u>8,754,709</u>
Total	<u>3,116,834</u>	<u>8,754,709</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	31.03.2014		31.03.2013
	₹	₹	₹
17. SHORT-TERM LOANS AND ADVANCES			
Loans and advances to related parties			
Secured, Considered good			
Loan to a Company on assignment of debt by a bank (Refer note 29)		54,535,224	54,534,912
Un-secured, considered good			
Loans to Companies (Refer note 28.1)		8,400,000	-
Security Deposits			
Unsecured, considered good		2,888,472	2,986,969
Other loans and advances			
Unsecured, Considered good			
- Advance paid to Suppliers,Contractors	46,259,419		71,643,046
- Prepaid Expenses	6,212,529		7,905,208
		52,471,948	79,548,254
Total		118,295,644	137,070,135
18. OTHER CURRENT ASSETS			
Interest Receivable from companies (Refer note 28.1)		42,957,419	49,548,194
Interest Receivable Others #		6,758,052	2,686,227
Total		49,715,471	52,234,421
# - Including interest receivable from Banks ₹ 3,621,420/- (Previous Year - ₹ 1,721,848/-).			
Particulars	2013-2014		2012-2013
	₹	₹	₹
19. REVENUE FROM OPERATIONS			
Value of contract work executed {Refer note 1.6(i) - 1.6(iii)}			
- Supply of Materials		274,786,173	146,897,363
- Sale of Services		531,997,738	565,265,663
		806,783,911	712,163,026
Income from Equipment provided		-	27,000
Income from Infotech Business		48,000,000	48,000,000
Total		854,783,911	760,190,026
20. OTHER INCOME			
Interest (Gross)		17,855,930	15,939,164
Profit on Sale of Assets (Net)		46,257	311,372
Excess Provision Written Back (Net)		1,731,495	3,863,211
Dividend on Investments		52	52
Miscellaneous Income		8,938,000	386,291
Interest on Income Tax refund		1,574,886	362,442
Gain / (Loss) on Exchange Rate Variance		103,523	-
Total		30,250,143	20,862,532

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	2013-2014		2012-2013
	₹	₹	₹
21. CONTRACT EXECUTION COSTS			
Sub-contracting Expenses		273,163,371	361,986,624
Cost of materials Supplied		239,030,693	4,571,807
Stores, Spares and Construction materials consumed (Net) (Indigenous)		43,869,504	47,184,947
Equipment hire charges		49,610,420	40,458,670
Facilities at Customers' sites written off (Refer note 1.5)		1,102,887	4,908,698
Other Operational Expenses		14,795,504	14,456,462
Total		<u>621,572,379</u>	<u>473,567,208</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK- IN-TRADE			
Opening Stocks			
Incomplete Contract Works		262,571,654	190,426,232
Accumulated Direct Costs		18,880,496	21,393,314
		281,452,150	211,819,546
Closing Stocks			
Incomplete Contract Works		368,436,693	262,571,654
Accumulated Direct Costs		17,409,177	18,880,496
		385,845,870	281,452,150
(Increase) / Decrease in Stocks		<u>(104,393,720)</u>	<u>(69,632,604)</u>
23. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and other payments		168,973,529	150,335,839
Contribution to provident and other funds		16,839,791	15,089,574
Welfare Expenses		1,618,658	1,701,030
Total		<u>187,431,978</u>	<u>167,126,443</u>

23.1 The Company has recognised ₹ 15,250,460/- (Previous Year ₹12,655,320/-) as contribution towards defined contribution plans as an expense.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

23.2 The disclosures in respect of the Defined Benefit Gratuity Plan to the extent information is available with the Company, are given below :

Particulars	Year ended 31st March 2014 ₹	Year ended 31st March 2013 ₹
<u>Changes in present value of obligations :</u>		
Present value of Obligations at the beginning of the year	24,760,838	21,848,935
Interest cost	2,042,769	1,857,159
Current service cost	2,167,269	1,902,403
Actuarial Losses / (Gains)	(1,528,157)	330,115
Benefits paid	(610,327)	(1,177,774)
Present value of Obligations at the close of the year	<u>26,832,392</u>	<u>24,760,838</u>
<u>Changes in Fair Value of plan assets (Managed by LIC) :</u>		
Fair value of plan assets at the beginning of the year	15,386,448	12,951,937
Expected return on Plan Assets	1,425,500	1,285,939
Contributions	2,000,000	2,326,346
Benefits Paid	(610,327)	(1,177,774)
Actuarial gain / (loss) on Plan Assets	-	-
Fair value of plan assets at the close of the year	<u>18,201,621</u>	<u>15,386,448</u>
<u>Reconciliation of present value of the obligation and the fair value of plan assets and amount recognised in the balance sheet :</u>		
Present value of Obligations at the close of the year	26,832,392	24,760,838
Fair value of plan assets at the close of the year	(18,201,621)	(15,386,448)
Net Liability / (Asset) recognised	<u>8,630,771</u>	<u>9,374,390</u>
<u>Amounts recognised in Statement of Profit and Loss :</u>		
Current Service Cost	2,167,269	1,902,403
Interest Cost	2,042,769	1,857,159
Expected Return on plan assets	(1,425,500)	(1,285,939)
Actuarial Loss / Gain	(1,528,157)	330,115
Expenses recognised	<u>1,256,381</u>	<u>2,803,738</u>
<u>Actuarial Assumptions at the Balance Sheet date :</u>		
Discount Rate	9.00%	8.25%
Expected rate of return on Plan Assets	8.75%	9.25%
Salary Escalation rate*	6.00%	5.25%
Mortality Table	IALM-Mortality - Tables (2006-08) Ultimate	LIC (1994-96) Ultimate

* The estimated salary escalation rate takes into account inflation, seniority, promotion and other relevant factors.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

Particulars	2013-2014		2012-2013
	₹	₹	₹
24. FINANCE COSTS			
Interest Expense	61,265,692		63,527,327
Less: Interest on Trade Dues	<u>17,480,276</u>		<u>25,039,373</u>
		43,785,416	38,487,954
Other Borrowing Costs			
Loan Processing Charges		<u>2,000,000</u>	<u>1,860,559</u>
Total		<u>45,785,416</u>	<u>40,348,513</u>
25. OTHER EXPENSES			
Rent		11,031,290	11,606,315
Insurance		1,353,821	2,124,204
Repairs to Machinery	50,470		69,218
Repairs - Others	<u>4,421,996</u>		<u>4,541,875</u>
		4,472,466	4,611,093
Traveling and Conveyance		16,371,319	17,556,511
Auditor's Remuneration (Refer note 25.1)		804,158	790,163
Directors' Fees		220,000	220,000
Legal and Professional Charges		15,293,183	16,885,587
Loss on Assets Discarded / Sold		260,064	1,347,509
Service Tax and Works Contract Tax		481,338	3,620,639
Watch & Ward Expenses		8,022,394	7,233,487
Miscellaneous Expenses		27,083,402	20,055,613
Sundry Balances Written-off / Appropriated (Net)		9,887,727	1,800,730
Bad Debts Written-off		-	19,236,844
Total		<u>95,281,162</u>	<u>107,088,695</u>
25.1 AUDITOR'S REMUNERATION			
As Auditors		500,000	500,000
For Taxation Matters		50,000	50,000
For Other Services		228,708	225,000
For Reimbursement of Expenses		25,450	15,163
Total		<u>804,158</u>	<u>790,163</u>
25.2 EXPENDITURE IN FOREIGN CURRENCY			
Foreign Travel Expenses		-	163,896
Purchase-Spare Parts		<u>3,833,278</u>	-
Total		<u>3,833,278</u>	<u>163,896</u>
26. EARNINGS PER SHARES (EPS)			
Net profit after tax as per Statement of profit and Loss attributable to Equity shareholders		18,166,341	36,158,883
Weighted Average number of equity shares used as denominator for calculating EPS		12,572,400	12,572,400
Basic and Diluted Earnings per share (in ₹)		1.44	2.88
Face value per equity share (in ₹)		10	10

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**
27. Contingent Liabilities not provided for:

	As at 31.3.2014 ₹	As at 31.3.2013 ₹
(i) Disputed Income Tax Dues	27,258,733	26,601,871
(ii) Disputed Works Contract Tax Dues	331,766	331,766
(iii) Corporate Guarantee given by the Company on behalf of a company	60,000,000	60,000,000
(iv) The Company has given performance guarantees and / or guarantees against advances received from clients in the course of its business. Based on the past experience, Company is of the opinion that no liability would arise on this account and as such the liability, if any, can not be estimated.		

28.1 The Company has, as at 31st March, 2014 loans aggregating ₹ 101,450,000/- (Previous Year - ₹ 103,400,000/-) and interest recoverable thereon aggregating ₹ 42,957,419/- (Previous Year - ₹ 49,548,194/-) due from investment companies. The net worth of these companies has eroded. On the basis of undertaking by these companies to pay the principal amount along with interest, (accrued upto 31st March, 2003) the Company had agreed to waive interest on these loans with effect from 1st April, 2003. As a matter of prudence, the Company had already stopped accounting for interest income on these loans with effect from 1st April, 2003. The management, based on its assessment of the estimated realisable values of the financial assets of these companies, believes that the Company would still be able to recover the loans and interest as mentioned above.

28.2 During the year, the Company made one time settlement with an investment company referred to in Note 28.1 above, by entering into an agreement on 28th March, 2014, to settle the total outstanding amount of ₹ 16,940,775/- (Principal amount ₹ 10,350,000 and interest amount ₹ 6,590,775/-). As per the terms of the agreement, the Investment Company has paid an amount of ₹ 1,00,000/- on 28th March, 2014 and the balance amount of ₹ 84,00,000/- was paid on 11th April, 2014. The remaining amount of ₹ 8,440,775/- (Principal ₹ 1,850,000/- and interest ₹ 6,590,775/-) is written off during the year 2013-14.

29. As per the understanding reached by Mukand Limited with Commerz Bank AG (the Bank) as recorded in the Consent Terms filed in the Debt Recovery Tribunal, the Company during the financial year 2002-2003 joined as a surety under the said Consent Decree to pay a sum of ₹ 76,000,000/- in the manner specified in the Consent Terms, whereby the Company became entitled to assignment of the entire outstanding debt of ₹ 160,858,072/- due by Mukand Limited to the Bank together with the security held by the Bank. The Company discharged its obligations under the said Consent Terms and the aforesaid debt has been assigned in its favour. The difference between the face value of debt assigned to the Company and the obligation discharged by it aggregating to ₹ 84,858,072/- was credited to the Statement of Profit and Loss as "Exceptional Income" during the Financial Year 2002-2003.

During the year 2009-10, the Company re-participated along with other secured creditors in restructuring of Mukand Limited's debts to receive the payment of principal amount and interest only over a period of 9 years (earlier 12 years), on similar lines, as other secured creditors, who have accepted the Financial Restructuring Package (FRP) approved by the Corporate Debt Restructuring Cell (CDR) for Mukand Limited. As per the aforesaid FRP, interest for the period 1st April, 2002 to 30th September, 2004 was converted into a loan to be repaid till March 2013 (since repaid). The Principal amount will be repaid till March, 2015 as per the said FRP. The Company has ceded pari-passu charge on certain current assets and fixed assets of Mukand Limited to the extent of additional debts raised by Mukand Limited.

During the year, the lenders of CDR cell have revised the interest rates and agreed for an adhoc payment for recompense. Since the loan of the Company was on the same terms and conditions of the CDR loan, an amount of ₹ 90.32 lacs was accepted by the Company towards adhoc payment for recompense which will be paid by Mukand limited in 20 instalments commencing from August, 2013. Accordingly, the Company during the year, has received an amount of ₹ 36.13 lacs towards the said recompense.

30. During the year, the Company has revised its policy of valuation of Contract Work in Progress(WIP), to reflect the WIP value at cost of work performed on the contract plus proportionate margin, using the percentage completion method in case of certain projects which have achieved a predetermined minimum percentage of completion. As a result of this change, the value of WIP and the profit before tax has increased by ₹ 264 lacs.

31. Disclosures in respect of Finance Lease arrangements

Particulars	Not later than one year ₹	Later than one year and not later than five years ₹	Later than five years ₹
Minimum Instalments Payable (MIP)	6,315,312	9,766,000	-
	(7,729,125)	(16,081,312)	(-)
Present Value of Instalments Payable (PVIP)	5,321,818	9,221,368	-
	(6,784,681)	(14,543,186)	(-)

Previous year's figures are in brackets.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**
32. Related parties disclosures :
(i) Relationships :
(a) Related parties where control / significant influence exists:

1. Mukand Limited (Mukand)
2. Mukand Global Finance Limited (MGFL)
3. Mukand International Limited, UK
4. Mukand International FZE, UAE
5. Vidyavihar Containers Limited (VCL)
6. Mukand Vijaynagar Steel Limited
7. Bombay Forgings Limited
8. Stainless India Limited
9. Hospet Steels Limited
10. Kalyani Mukand Limited
11. Jamnallal Sons Private Limited

12. Mukand Vini Mineral Limited
13. Mukand Sumi Metal Processing Limited
14. Conquest Investments & Finance Limited (Conquest) *
15. Econium Investments & Finance Limited (Econium) *
16. Fusion Investments & Financial Services Limited (Fusion) *
17. Catalyst Finance Limited (Catalyst) *
18. Primus Investments & Finance Limited (Primus) *
19. Lineage Investments Limited (Lineage) *

* up to 28th March, 2013.

(a) Key Management Personnel:

Mr. K. P. Jotwani - Manager.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

(ii) Transactions with related parties referred in (i) above, in the ordinary course of business:

Nature of Transactions	2013- 2014		2012 - 2013	
	Referred in (i)(a) above	Referred in (i)(b) above	Referred in (i)(a) above	Referred in (i)(b) above
Sales - Mukand				
• Contracts executed (including supply of materials)	148,659,392	-	114,417,883	-
• Interest received / receivable - Mukand	29,957,532	-	37,144,250	-
• Infotech Services (Excluding Service Tax)	48,000,000	-	48,000,000	-
Purchases :				
Other Payments / Expenditure				
• Rent - Mukand	3,134,880	-	3,000,000	-
• Electricity - Mukand	3,470,400	-	-	-
• Reimbursement of Expenses - Mukand	990,713	-	1,512,921	-
• Remuneration	-	3,674,683	-	3,525,756
• Legal and Professional Charges - MGFL	360,000	-	360,000	-
• Professional Charges (Design & Engineering) - Mukand	19,107,000	-	41,850,000	-
• Loan repayments received - Mukand	54,534,912	-	14,923,010	-
Outstanding balances at the close of the year :				
• As Debtors - Mukand	180,493,244	-	201,964,606	-
• As Creditor - Mukand	172,944,248	-	38,135,394	-
• As Creditors - MGFL	151,685	-	60,674	-
• Advance Paid against Contract - Mukand	39,482,010	-	60,815,000	-
• Rent Deposits given - Mukand	650,000	-	650,000	-
• Interest Receivable - Catalyst #	-	-	6,590,775	-
Conquest #	-	-	24,449,427	-
Econium #	-	-	8,027,027	-
Primus #	-	-	10,480,965	-
• Loans receivable - Mukand	54,535,224	-	109,070,136	-
Catalyst #	-	-	10,350,000	-
Conquest #	-	-	33,300,000	-
Econium #	-	-	33,900,000	-
Primus #	-	-	25,850,000	-
• Guarantee given by Mukand for Credit Facilities	650,000,000	-	650,000,000	-
• Guarantees given by the Company - Mukand	60,000,000	-	60,000,000	-

upto 28th March 2013.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**
33. SEGMENT INFORMATION
A. BUSINESS SEGMENT - PRIMARY

(₹)

Particulars	Construction		Infotech		Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Segment Revenue						
External Revenue	806,783,911	712,190,026	48,000,000	48,000,000	854,783,911	760,190,026
Inter segment Revenue	-	-	-	-	-	-
Total Revenue	806,783,911	712,190,026	48,000,000	48,000,000	854,783,911	760,190,026
Segment Result before interest and tax	86,096,597	104,299,853	8,317,871	11,620,798	94,414,468	115,920,651
Add / (Less): Unallocated Income / (Expenses) (Net)					(21,471,717)	(22,370,640)
Interest and Finance charges (Net)					(45,785,416)	(40,348,513)
Deferred Tax Credit / (Charge)					8,209,006	(1,042,615)
Provision for Current Tax					(17,200,000)	(16,000,000)
Net Profit					18,166,341	36,158,883
Other Information						
Segment Assets	1,171,103,942	882,316,665	14,389,796	16,608,606	1,185,493,738	898,925,271
Unallocated Corporate assets					674,091,105	491,068,782
Total assets					1,859,584,843	1,389,994,053
Segment Liabilities	502,136,495	295,318,298	11,304,264	5,199,870	513,440,759	300,518,168
Unallocated Corporate liabilities					764,949,125	511,738,188
Total liabilities					1,278,389,884	812,256,356
Capital Expenditure						
Segment capital expenditure	5,572,989	32,438,744	2,208,090	1,095,500	7,781,079	33,534,244
Unallocated capital expenditure					9,608	49,550
Total capital expenditure					7,790,687	33,583,794
Depreciation						
Segment depreciation	4,997,626	4,562,748	2,750,015	1,984,215	7,747,641	6,546,963
Unallocated depreciation					3,316,432	2,805,842
Total depreciation					11,064,073	9,352,805
Significant Non Cash Expenditure					-	-

Notes

1. Unallocated income includes interest received / receivable ₹ **17,855,930/-** (Previous Year ₹ 15,939,164/-).
2. Unallocated assets mainly relate to Loans to Companies, Advance Tax and Investments. Unallocated liabilities mainly relate to Loan Funds and Tax Liabilities.

B : Other Disclosures

1. Segments have been identified in line with the Accounting Standard (AS) 17 on Segment Reporting taking into account the organisation structure as well as the differential risks and returns of these segments.
2. The Company has disclosed Business Segment as the primary segment.
3. Types of products and services in each business segment :

<u>Business Segment</u>	<u>Types of Products and services</u>
a) Construction	- Construction and Engineering activities
b) Infotech	- ERP Implementation and Infotech Services
4. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
5. Secondary Segment Information - Geographical Segment :
The operations of the Company are, at present, only in India within a single Geographical Segment.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

34. (A) Details of loans and advances in the nature of loans to associates and shares held by loanees (stipulated under clause 32 of the listing agreement with Stock Exchanges).

Name of the party	Outstanding Amount ₹		Maximum Balance Outstanding during the year ₹	
	As at 31.03.2014	As at 31.03.2013	2013-2014	2012-2013
Associates				
* Mukand Ltd.	54,535,224	109,070,136	109,070,136	123,993,146
Catalyst Finance Ltd.#	-	10,350,000	-	10,350,000
Conquest Investments & Finance Ltd.#	-	33,300,000	-	33,300,000
Econium Investments & Finance Ltd.#	-	33,900,000	-	33,900,000
Primus Investments & Finance Ltd. #	-	25,850,000	-	25,850,000

* Also a Company in which Directors are interested as Directors.

- (B) Shares held by the loanees in the capital of the Company

Name of the Loanee	No. of shares held by Loanee		Maximum no. of shares held by Loanee during the year	
	As at 31.03.2014	As at 31.03.2013	2013-2014	2012-2013
Mukand Ltd.	4,539,781	4,539,781	4,539,781	4,539,781
Primus Investments & Finance Ltd.#	-	141,600	-	141,600

upto 28th March 2013.

35. Disclosure regarding Contracts in progress

	Year ended 31.03.2014 ₹	Year ended 31.03.2013 ₹
Contract Costs incurred and recognized profits (less recognized losses)	3,119,620,422	2,491,189,947
Advances received	24,287,820	28,395,951
The amount of retention (Included in Trade Receivables)	155,248,995	136,305,349

36. Trade Payables includes ₹ NIL (Previous Year - ₹ NIL) due to Micro Small & Medium Enterprises registered under Micro Small & Medium Enterprises Development Act, 2006 (MSME Act). During the year, no amounts have been paid beyond the appointed day in terms of MSME Act and there are no amounts paid towards interest. Further, there is no interest accrued / payable under the MSME Act at the close of the year.

The disclosure above is based on the information available with the Company regarding the status of suppliers under the said Act.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON
31ST MARCH, 2014**

37. In the opinion of the Board of Directors, all items of Current Assets, Loans and Advances continue to have a realisable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.
38. Balances of Trade Receivables, Loans & advances and Trade Payables are subject to confirmation and are as per books of account only. However, in the opinion of management, the reconciliation will not have any material impact on profitability of the Company for the year.
39. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 39

As per our attached report of even date

GIRISH M. PATHAK

Partner

Membership No: 102016

For & on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Registration No: 106009W

Mumbai, May 28, 2014

RAJESH V. SHAH

Chairman

R. SANKARAN

Director

K. P. JOTWANI

Manager

P. R. DHRUVA

Company Secretary
Mumbai, May 28, 2014



ATTENDANCE SLIP

MUKAND ENGINEERS LIMITED
CIN: L45200MH1987PLC042378

Registered Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Slip at the venue of the meeting.

Table with 4 columns: DP ID*, Client ID*, Folio No., No. of shares

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held on Wednesday, 13th August, 2014 at 11.30 a.m at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai- 400 021.

*Applicable for investors holding shares in electronic form.

Member's / Proxy's Signature



PROXY FORM

MUKAND ENGINEERS LIMITED
CIN: L45200MH1987PLC042378

Registered Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/ We, being member(s) of _____ shares of Mukand Engineers Limited, hereby appoint:

- 1. _____ of _____ having e-mail id _____ or failing him
2. _____ of _____ having e-mail id _____ or failing him
3. _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, 13th August, 2014 at 11.30 a.m at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai- 400 021 and at my adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Table with 4 columns: Sr No., Resolutions, For, Against. Contains 11 rows of resolutions.

Signed this _____ day of _____ 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix Re. 1/- Revenue Stamp



Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ****This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.**
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



MUKAND ENGINEERS LIMITED
CIN: L45200MH1987PLC042378

Registered Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

(Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(C) of the Companies (Management and Administration) Rules, 2014)

BALLOT FORM

(To be returned to Scrutinizer appointed by Mukand Engineers Limited)

1. Name(s) of Member(s)
(including joint-holders, if any)
2. Registered Folio No/
DPID No/ Client ID No.*
(*Applicable to Members holding shares
in dematerialized form)
3. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s)/ Special Resolution(s) as specified in the Notice of the Company dated 28th May, 2014 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

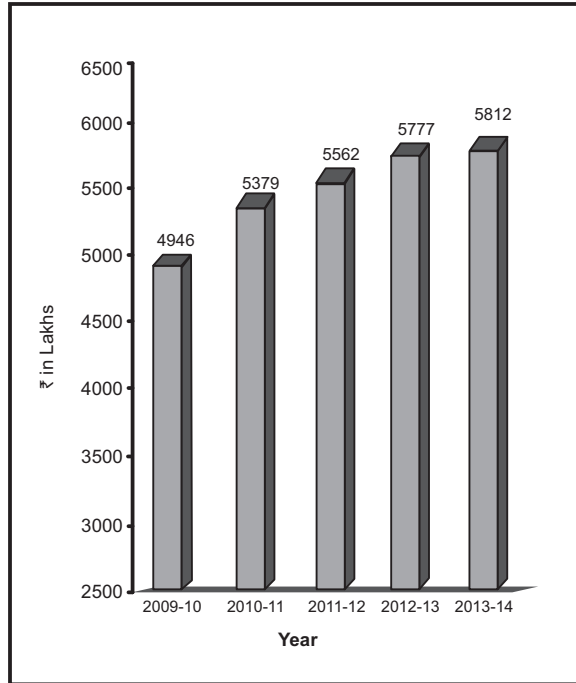
Sr No.	Description	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Adoption of Audited Financial Statement for the year ended 31st March, 2014, and Report of the Board of Directors and Auditors thereon		
2.	Declaration of Dividend on Equity Shares		
3.	Re-appointment of Shri Rajesh V. Shah who retires by rotation		
4.	Appointment of Statutory Auditors and fixing their remuneration		
5.	Appointment of Shri Prakash V. Mehta as an Independent Director		
6.	Appointment of Shri N. Ramanathan as an Independent Director		
7.	Appointment of R. Sankaran as an Independent Director		
8.	Special Resolution pertaining to revision in the payment of remuneration to Mr. K. P. Jotwani as "Manager" under the Companies Act, 2013		
9.	Special Resolution pertaining to the Borrowing Powers u/s 180(1)(c) of the Companies Act, 2013		
10.	Special Resolution pertaining to Creation of security u/s180(1)(a) of the Companies Act, 2013.		
11.	Special Resolution u/s 73 & 76 of the Companies Act, 2013 for Acceptance of Fixed Deposits from Members		

Place:

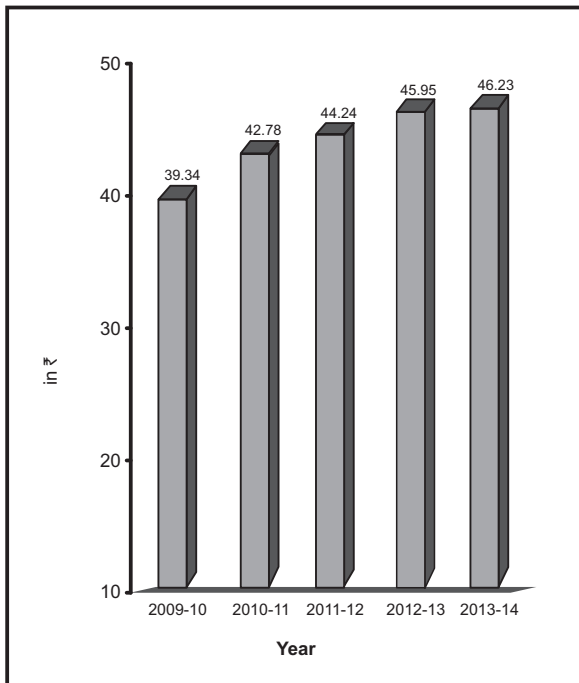
Date:

Signature of Member/ Beneficial Owner

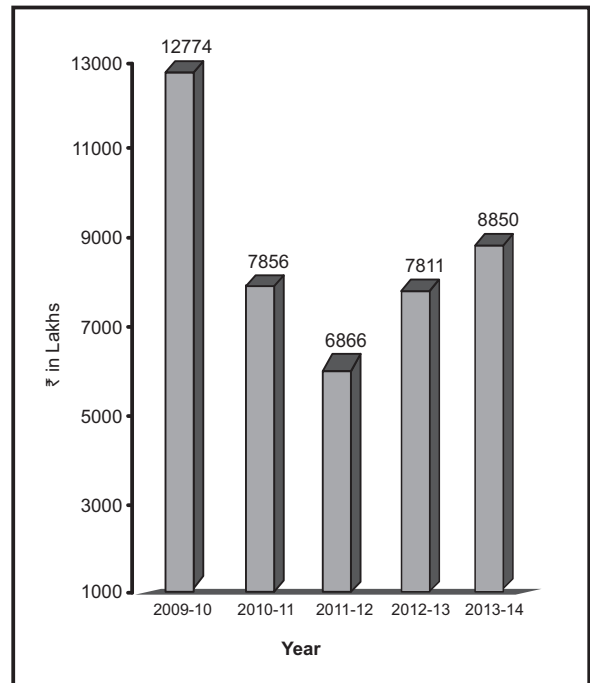
Net Worth



Net Worth per Equity Share



Income from Operations Including Other Income



BY COURIER

If undelivered, please return to :



Bajaj Bhawan, Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai - 400 021.